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# Remarks by the Honourable Barney Danson

Ministry  
Minister of State  
for Urban Affairs

# Discours de l'honorable Barney Danson

ministre d'État  
chargé des  
Affaires urbaines

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1976 Convention

Housing and Urban Development  
Association of Canada

Convention Centre,  
Lansdowne Park,  
Ottawa,

Monday, February 2, 1976



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I welcome this first opportunity I have had to speak to members of HUDAC since Parliament passed the Federal Housing Action Program -- a series of major initiatives to increase the supply of housing and to bring that increased supply within the reach of Canadians of moderate income.

The housing initiatives provide interesting and relevant subject material to the dialogue currently taking place about the roles of government and the private sector and their relationship to the future of our economy, an economy which has served us well but has changed significantly over the years and will, no doubt, go through further changes in the years ahead. I am interested in raising it here, at your annual meeting, with a group with whom I have developed a relationship of mutual respect and understanding over almost a year and a half of working together.

We can look back on a year of excellent co-operation and accomplishment. When I first spoke to you, as a new Minister responsible for housing, I expressed a concern that we had a serious challenge to get housing moving again. I indicated that we would have to produce 210,000 new housing starts in Canada in 1975, just to meet the growing needs of Canadians.



We all agreed it would not be easy, that it would take a concentrated effort, but I was confident that -- together -- we could do it. I expressed the hope that we could do a lot more than 210,000 starts but that we wouldn't be satisfied with anything less than that.

Well, somehow, we did it! CMHC year-end figures show that we achieved over 230,000 housing starts in 1975 -- over 20,000 more than our minimum target. That accomplishment stands as an excellent example of the partnership of government and the private sector.

Early in 1975, I introduced amendments to the National Housing Act which modified and expanded our very successful Assisted Home Ownership Program and the Assisted Rental Program. We restructured these programs so that the federal interest-reducing grants could be used along with private mortgage financing.

Our objective was to draw up to a billion dollars of private capital into the residential mortgage market. Actually, we got off to a slow start. There was little significant response until July. Then, it started to flow and the figures now coming in suggest we have come a remarkably long way toward meeting that objective with something close to three-quarters of a billion dollars of private investment in these two federal housing programs in the latter part



of the year -- about 300 million dollars in AHOP and more than 445 million dollars in Assisted Rental -- an indication of the response of private lenders to a revitalized housing market, which gives me every confidence to believe our request for an additional \$750 million in 1976 will be met.

Before the year was out, we modified these programs again and federal assistance became available under these two programs in the form of repayable loans which are interest-free in the initial difficult years.

Most people just need a little help to get started and, after the initial period of support, they begin to pay back their loan, in a manner they can afford. This is a new approach for government. A person being helped by his fellow taxpayers, when such help is needed, and paying it back when he or she can afford it.

In this way, the taxpayers' money, when it is no longer needed, can be recycled and put to work again without a never-ending drain on the treasury. The same principle applies to assistance provided to create rental accommodation.

Since the inception of Central Mortgage and Housing Corporation after World War II, housing in Canada has thrived through a unique blending of public and private enterprise and we are continuing to explore ways of improving our co-operation and making our joint efforts more effective.



Some people have been shocked that the question of the roles of government and private business should be raised by political leaders.

I would suggest that we should be deeply concerned if it were not raised. It would be the height of irresponsibility for politicians not to look into the future and anticipate the decisions with which we will be faced. The consequences of simply responding to trends, reacting to crises, and letting the chips fall where they may, is not a responsible way for our elected representatives to act and I would think you share this view.

It would be equally irresponsible not to discuss these concerns with those most affected. Surely it doesn't come as a shock to learn that we do not have a freely operating market economy.

As the Prime Minister has pointed out, there has been intrusion in the market place since our country was founded. The point is how much is essential to achieve our social and economic well-being without unduly distorting the free play of the market and without diminishing the drive for productivity, for individual fulfillment and for excellence in our performance.

The federal government, which has a responsibility to see that Canadians in all parts of the country have an equal opportunity to share in our national resources, does intervene in the housing market when it is required.

Very often this intervention -- for instance, the introduction of mortgage insurance to stimulate the supply of capital for home-building -- is clearly seen by the industry as a useful and welcome intrusion. Sometimes, when the market system is temporarily out of kilter, we are obliged to intervene to ensure that production is more closely geared to the social needs of the country and the health of your industry. We are making this kind of intervention now.

Our AHOP and Assisted Rental programs are helping to shift housing production away from more expensive housing towards the middle and lower price ranges where the need is greatest. We have asked lenders to restrict their high-ratio loans for the same reason. In addition to the Assisted Rental Program there are tax measures which are aimed at stimulating production of moderately-priced housing for rent -- a sector of the market that has slowed almost to a stop.

Government intervention in the market, in the interest of national economic and social objectives, has long been an accepted fact of life.

To ignore this reality would be to court almost certain disaster. It is essential that businessmen address themselves to the changes taking place in our society and that of other nations.



It is essential that labour leaders address themselves to the changes taking place in our economy and those of others.

We must all be aware of the changing attitudes of a new generation following rapidly on our heels. If we take the time to talk with our own children we will learn a great deal indeed.

Let us at least do this rationally instead of reacting sometimes hysterically to those political leaders who are prepared to face reality -- whether it is a reality we welcome or not.

We as a cabinet engaged in what was perhaps the most extensive dialogue ever undertaken by a government with business and labour in our consensus talks. Certainly there was not total consensus, but neither was there evidence of easy or better answers. We learned a great deal and there was a better understanding by others of the problems each faced. Traditional relationships were given an extra and healthy dimension which we would all do well to nurture.

Ultimately, politicians must lead. Because there is no simple consensus this is no excuse to do nothing. But I can assure you that in our cabinet discussions and decisions there has been an overriding concern about building a constructive

mechanism, an unwieldly bureaucracy that could truncate our market economy and open institutions, and would be the antithesis of what this government seeks.

But let us get back to the relationship with our housing measures.

We had a market that was not producing the type of housing units our people needed and could afford. You had one of the largest stocks of unsold housing in recent years. We had a critical shortage of rental accommodation and we had a declining and uncertain construction industry. With all these uncertainties we had perhaps the most efficient housing delivery industry in the world and adequate financial markets, even if the price wasn't right.

We had interest rates that virtually precluded the provision of affordable shelter for most Canadians entering the housing market.

We also had inflated expectations, urban centres declining and agricultural land being built upon at disturbing rates as our cities continued to sprawl with the consequent need for new and expensive services. We had all the elements for success but not the cohesion to maximize them. It was essential to bring these diverse elements together and a government that didn't exercise the initiative to do so, would have been negligent.



I personally met with my provincial counterparts at five Federal-Provincial meetings in the past year. My officials and I maintained regular dialogue with the builders, lenders, insurers, suppliers, and consumers.

The housing package which has now received parliamentary approval is designed to help us achieve a million new housing starts over the next four years. Housing which -- with your co-operation -- will provide moderate-priced housing for families, be it for purchase or rental, to satisfy the real needs and reasonable expectations of our society. Housing that will make prudent use of land and help re-invigorate our declining urban cores. This at prices people can afford by working with the private lenders to harness their resources and expertise rather than replace it with tax dollars and an enlarged bureaucracy.

Of prime importance, we have helped build stability into a sector where uncertainty prevailed. We have set targets so that we, and the industry, both know where we are going. A market of significant scale and duration -- a million units in four years -- which allows industry to plan, budget and compete in a market in which we are encouraging the essential demand to make it possible and profitable.

At the same time we are achieving legitimate social objectives and good urban planning. Creating a million two hundred thousand new jobs over four years in the construction industry, and industries that prosper with new housing construction: appliances, furniture, rugs, drapes, and the myriad of other products that go into a new home.

The 1976 capital budget of CMHC, which I tabled in Parliament last week, amounts to more than \$1.8 billion, an increase of some \$180 million over the 1975 budget. I am sure you will realize that, taking inflation into account, the fact that we are able to maintain the same level of investment, in the face of a determined policy of restraint, indicates, I believe, the high priority which the government assigns to housing, as a social necessity, and as an instrument of economic revival. It also demonstrates that this government is prepared to use its ingenuity to complement the dynamics of the market place.

Within that total of \$1.8 billion there have been some significant shifts. Some housing programs directly financed with federal funds -- Section 15 rental housing and CMHC-funded AHOP -- have been substantially reduced in anticipation of an increase in private funds channelled through the new, modified AHOP and Assisted Rental programs, supported with repayable loans.



For this reason, we have been able to make significant increases over last year in funds committed for Public Housing and Non-Profit and Co-operative housing programs which are directed to people with the most urgent needs, who really are not in the normal market-place. There is a substantial increase in those programs which provide the incentive and the infrastructure to make housing attractive to municipalities -- land assembly, sewage and water treatment facilities -- the \$1,000 per unit incentive bonus which has been particularly well-received by the municipalities.

It also acts as a key lever in good urban planning -- reasonable densities in urban centres, rather than a proliferation of urban sprawl, which requires massive investment in new services and infrastructure -- revitalization of declining cores and restraint on the wasteful use of agricultural land.

Good housing, good markets, achievable goals with the financing to make it possible -- assistance for those who need it and an improved urban environment -- a healthy, productive and profitable industry.

I personally don't think this an unwarranted intrusion into the market-place. Indeed, I would fear for the market-place and our economic and social system if government failed to take these initiatives.

We want to see the needs of Canadians served with a minimum of direct intrusion but we are prepared to intervene when those needs are not being met and when the market is not working or is working only for a few who have it made.

I would suggest that the alternative is ultimately a form of government which is bent on destroying the market system rather than harnessing its dynamics.

As I view things now, we have a housing program that is acceptable, workable and relevant to peoples' needs as we perceive them. It may require some fine-tuning. It will certainly require our intimate knowledge of its workings by all concerned.

I'm not much interested in coming up with surprises. I'm much more interested in building stability so that you know where you're going, we know where we're going, and the people are being well served.

I want to devote myself to seeing our programs work well. To work with the provinces and municipalities to find better ways to harmonize our programs, to complement one another rather than see a proliferation of activities which only serve to confuse all of us and reduce our efficiency.

It is in this way that we can get on with doing our jobs and reaching our potential -- to then devote any new



initiatives to those areas that demand the care of a sensitive society -- the elderly, the socially deprived, the handicapped and certainly our Native people.

To build an urban environment that works, is affordable and is human in scale, so that future generations will say that we anticipated the changes in our society, we met the challenges and conquered the difficulties. That we were imaginative and acted with responsibility and foresight and left this most favoured land one of the greatest in which to live.

Our living might be bricks and mortar but our lives and our children's lives are much more. You are making your contribution to a future society, a better society. Perhaps not an easier society but perhaps better because of it. And saner, because Canadians have responded to political leaders who have approached them with respect. To expose the problems. To address them with you so that the results are not by chance but by our intelligence and will.

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ATLANTIC CHAPTER OF THE  
YOUNG PRESIDENTS ORGANIZATION

March 24, 1976

Halifax, Nova Scotia







## (Introduction)

I would like to take a minute or two to review the housing situation as it has developed in Canada over the last few years. Generally speaking, Canadians have always been and still are among the best-housed people in the world, but we are facing problems today that must be solved before we can ensure that all Canadians have access to decent, affordable housing.

Canada's housing problems are to some extent the creation of an affluent age, a by-product of prosperity.

In every major urban area in the country the price of housing has accelerated beyond the financial means of people who would normally be able to fit the purchase of a home into the family budget.

One of the initial reasons for this unprecedented situation was the upward pressure on house prices caused by the general attitude of "rising expectations". Wage-earners caught up in a spiral of prosperity expected that their standard of living would continually improve, and they wanted better and more expensive housing.



There was an element of "keeping up with the Joneses" too. People who were reasonably well-housed and would normally be content with what they had, realized that people in similar economic circumstances, people caught up in the spiral of "rising expectations", were better housed, with that extra bedroom, the finished rec room, the terraced patio, the built-in appliances and the other appurtenances of more expensive homes.

So they followed the trend, and the rising demand for better housing a few years ago produced the most spectacular seller's market in Canada's housing history.

Not only were expensive homes affected, but modestly priced houses followed the upward price spiral as people realized that buying a home was potentially the most financially rewarding capital investment for quick returns then available. At one time in Toronto, you may remember, prospective purchasers were actually bidding houses up beyond the original asking price.

Needless to say, speculators had a field day in the unrealistically heated market, which added to the pressures.

There were other contributing factors, as you know.

The production of housing in the last few years has been running a close race with the demands produced by growing urban populations, new family formations, deterioration of existing stock and the other elements that combine to create minimum housing requirements.

In addition, continuing inflation made new house construction more expensive, which affected the entire housing market.

Houses are now too costly for too large a proportion of the population. More than 800,000 Canadian households pay more than 25 per cent of their income for housing and, in fact, more than 280,000 pay over half their income for housing. These figures are not by any means limited to low-income families. They include a substantial number of families who are neither poor, nor rich. They are people of middle-income who once could look after their needs but, where housing is concerned, need some help, at least on a temporary basis. Some are homeowners, some have rental accommodation, but all are paying proportionately far too much for shelter.

There are other serious problems that chiefly affect people of low income. Almost half a million households in Canada have no sanitary facilities, and nearly as many are overcrowded by our minimum standards. About 120,000 households, in fact, are both overcrowded and lacking in sanitary facilities.

Rental accommodation in most urban centres is in extremely short supply, and much of it is too expensive for moderate budgets -- even under rent controls. Finally, not enough new housing that people of moderate income can afford is being produced.



The Federal Government realized a few years ago that positive steps must be taken to help overcome the problems. Since then, a series of federal policies and programs have contributed substantially to the production of moderately priced housing, both for ownership as well as rental at reasonable rates. These programs have also helped scores of thousands of people across Canada to purchase homes with federal assistance in the form of grants and loans.

I am pleased that these federal programs have already eased many of the problems.

Last year, for example, federal programs were instrumental in stimulating housing production far beyond the volume thought to be possible by most experts in the field. We established a minimum figure of 210,000 units of housing for 1975, and most knowledgeable people in the industry were outspokenly pessimistic that that figure could even be approached.

Although the year got off to a slow start, which seemed to support the pessimistic view, new federal programs were in place before April, and production began picking up dramatically.

The year ended with more than 231,000 actual starts, some 9,000 higher than the previous year. This was considerably more than the minimum target and well beyond the volume predicted by experts.

This experience was reflected in the Atlantic Provinces, which had an increase of more than 1,400 starts last year over 1974. Two-thirds of the over-all gain in this part of Canada, I'm happy to note, was in badly needed rental accommodation. In fact, the production of rental units in the Atlantic Provinces last year increased by slightly more than 1,000 units over the previous year to a total of 4,418 units. By contrast, rental production for the whole of Canada was marginally down by some 3,600 units.

Our experience of the last few years, and particularly last year, pointed the way to policies that we know can succeed in alleviating many of the current difficulties with minimum government intervention and maximum participation from the private sector.

These policies were incorporated in the Federal Housing Action Program, which was approved by Parliament last December and is now being administered through Central Mortgage and Housing Corporation.

The basic purpose of the Federal Housing Action Program is to make good, moderately priced housing available to Canadians who need it. Through this program, the Federal Government is committed to the production of one million new housing units over the next four years. This is the minimum number that will be required in order to provide an adequate supply of housing on a national basis. Our target for 1976 is 235,000 starts.



As businessmen, you will recognize the importance of our commitment to a million housing starts over a four-year period. It will give consistency and continuity to the residential construction market. Builders and associated trade and supply firms will be able to plan their future activities with far greater confidence, which should lead to efficiencies and economies that would not otherwise be possible.

One of the most pressing problems in new home-ownership is the monthly carrying charge. Many people of moderate income would have difficulty, at least for the first few years, in meeting payments on a high-interest mortgage. They will be able to handle the responsibility in future years, but right now they need help.

The Assisted Home Ownership Program, one of the most popular housing programs in the history of CMHC, has been redesigned to help home-buyers over the first five years of ownership with interest-defraying loans, while retaining the subsidy features for low-income families with children. The loans, in effect, reduce carrying charges to an eight per cent mortgage rate.

AHOP has been extended to include anyone wishing to buy a home that falls within maximum price ceilings established by CMHC in every area of the country. There are now no

restrictions with regard to income or to having a family with children. The only restriction in the application of AHOP is in the house itself, which must be moderately priced in relation to today's market.

There is no change in the application of AHOP for low-income families with children who qualify for direct assistance and require help in meeting monthly payments. As before, they are entitled to interest-reducing grants, as well as mortgage loans at an effective rate of eight per cent.

As you can appreciate, our greatest concern in the housing field is the rental market. Despite the severe shortage of rental accommodation in many parts of Canada, production of multiple-unit dwellings has lagged badly. The reason is obvious. Entrepreneurs feel that the return on their investment in rental construction is not adequate.

But we must stimulate the building of more rental accommodation, and the only way we can do that is to help make it more attractive to the builder.

The instrument we are using for this purpose is the Assisted Rental Program, which provides financial help to builders who will enter an agreement with CMHC with regard to rent levels and other matters. This program has also been redesigned under the new legislation. The maximum annual assistance is now in the form of a loan, rather than a grant, to builders of rental property who obtain private mortgage funds.

We believe that the availability of interest-free funds for the initial years of operation will attract much more rental construction, even where rent controls are temporarily in place.

I believe you will already know that as a further incentive to investment in rental construction, we have continued the capital cost allowances for at least two more years to people, such as many in your own positions, who invest in rental property but don't make it their principal business.

One of the most attractive features of these programs, in my opinion, is that they draw on private capital rather than public funds. With the original mortgage money coming from private lenders, CMHC is required only to give temporary financial assistance to the home-buyer or the builder of rental housing in the form of a repayable loan. This arrangement makes a much greater supply of public funds available for the expansion of important social housing programs.

Two other features of the new Federal Housing Action Program are directed towards municipalities, which have their own problems when it comes to new housing within their borders. The cost of providing services to areas newly opened for residential construction is so high that the municipality often cannot recover all of the expenses through property



taxes. The new initiatives provide further help in servicing new developments as well as direct grants of \$1,000 for each unit of new housing produced that meets the requirements of moderate cost and medium density.

We believe that this incentive will remove many of the roadblocks to new residential construction, because it will alleviate much of the additional financial burden on municipalities.

I feel very confident that we will meet and will most likely surpass the target of 235,000 starts for this year. I must say I am pleased with the results of the first two months, which are well ahead of those for the corresponding period last year.

I don't wish to overwhelm you with a confusing assortment of figures, but I would like to provide you with the reason for my optimism.

Actual starts for the first two months of this year, combined, were almost double the number for the same period last year. A statistic that pleases me most, however, relates to multiple dwellings, because these represent the rental accommodation that is so vitally required. Starts in this category so far this year increased by more than 150 per cent over last year.

Again, the experience in the Atlantic provinces reflects the up-swing in building activity this year. Starts in the four Atlantic provinces combined for the first two months of the year showed an increase of 168 per cent over last year. Total starts in 1975 in these provinces was almost 20,000, a figure that is expected to be surpassed this year.

In these few remarks I have tried to give you some idea of the dimensions of the housing problem as well as the extent of our activities in seeking solutions. I would like to emphasize, however, that housing is essentially a social commodity, and we must always view it in the light of human needs and desires.

For that reason, CMHC has from time to time initiated innovative programs designed not just to provide housing, but to improve the quality of life.

One example of this is the "purchase to income" provision of the National Housing Act, which allows people of low income to own their own home rather than live in public housing. Just last year, as some of you may already know, the regional office of CMHC in Fredericton co-operated with the Government of New Brunswick in assisting some welfare recipients to build their own homes.

The experiment was inaugurated through the Social Services Department of the New Brunswick Housing Corporation, and it was implemented under the umbrella of the Federal Rural and Native Housing Program. Through this project, a number of welfare recipients were able to use what is known as "sweat equity" to become home owners. They took an active part in the building of their homes, and are buying them on a "payment geared to income" basis.

The results have been most gratifying, and warrant close study.

Apparently the people involved discovered a new sense of pride, not just in owning a home, but in participating in a worthwhile project that bettered their own circumstances. They had become involved, their personal environment subsequently improved greatly, and they discovered a new sense of purpose.

Some of them were able to become gainfully employed, and were able to get out from under the welfare blanket. The "self-help" project had a remarkable effect on the children as well. Their attendance at school improved significantly, for example. A new and decent self-created environment improved their attitudes, their behavior and their personal care. Possibly for the first time, children, as well as their parents, could look to the future with a degree of positive optimism.



Projects such as this -- and I could cite many more if time allowed -- serve to emphasize the value of "people orientation" in the planning and application of housing programs. It is clearly not enough simply to provide dwelling structures. People require and are entitled to the opportunity to live and develop in a safe and satisfying community environment. It is the responsibility of my Ministry to provide that opportunity, so that Canadians at all economic levels can pursue a decent life without the stumbling block of inadequate living conditions that serve only to degrade and demoralize.

I'm sure you will agree that this can only be achieved if we continue to regard housing policies as an investment in people, not just in real estate.

Notes for Remarks

by

Jean-Robert Gauthier, MP

Parliamentary Secretary

to Honourable Barney Danson, PC, MP

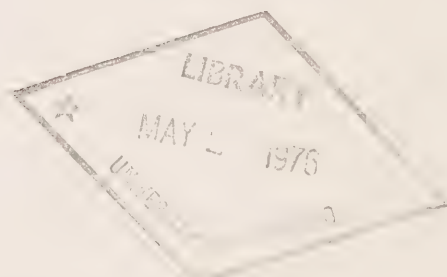
Minister of State for Urban Affairs

to the

Canadian Association of Housing and Renewal Officials

Edmonton, Alberta

Tuesday, May 4, 1976.







I am most pleased to have this opportunity to speak to you on behalf of my Minister, Honourable Barney Danson, for the obvious reason that we depend so heavily on municipal officials across Canada to put our housing policies and programs into effect. All of us are aware that without effective action by housing and renewal officials, we could not deliver housing programs so successfully to the people who can benefit from them.

Every policy and every program devised at the federal or provincial level in the field of housing is ultimately put into effect in the streets of your towns and cities. This means that we must take into account local needs, local problems and local priorities if we are to plan effectively to meet the present and future requirements of Canadians wherever they may live.

It is important -- in fact, it is vital -- that our lines of communications remain open, for we need your assistance, your guidance and your co-operation.

But having said that, let me also point out that no particular municipality is totally autonomous. All communities are interdependent. Any major undertaking in one town or city has an effect in all of the other municipalities to which it

is linked through business transactions...communications... transportation. For example, a decision taken by one community to grow, or not to grow, affects growth and development patterns throughout the region. A new industry, a new housing development, a new land acquisition and similar decisions obviously have an effect that reaches far beyond the borders of a single municipality's jurisdiction.

You will appreciate, then, that we in Ottawa have to take into account not just municipal plans and priorities, but provincial and regional concerns as well. We must act according to policies designed for the general good and the economic and social well-being of every area of the country, with all their disparate characteristics and unique concerns.

It is therefore just not possible to say that what takes place in any particular community is of no concern to the Federal Government. The Federal Government is responsible for the economic health of the entire nation, and major developments of any nature in any municipality have national implications. The Federal Government has a responsibility, for example, to maintain employment levels, for transport on a national scale, for the national environment -- a responsibility to foster and preserve national unity -- and anything that may affect these concerns is obviously of interest to us in Ottawa.

Most particularly, the Government of Canada has a

responsibility to ensure that Canadians, no matter where they live, have equal access to the necessities and the amenities of life. These considerations produce objectives, plans and priorities at the federal level that must be taken into account along with the individual concerns of provinces or municipalities.

It is possible to talk endlessly about legislative definitions of our various jurisdictions, but that would achieve little, if anything. We must remember that we are all involved in housing, and legislative definitions must, from time to time, have enough flexibility to allow the most effective action on behalf of the people who require our help.

I am sure you will agree, then, that the three levels of government must work closely together to find the most mutually advantageous solutions to the housing problems and issues as they arise. There must be joint consultation and a sharing of information among all levels of government in Canada.

We have made some important strides in that direction during the last few years through national tri-level conferences and through regional and provincial tri-level meetings. Just recently my Minister concluded a provincial tri-level meeting in the Atlantic provinces and we are very pleased that much was accomplished within a gratifying atmosphere of co-operation which will produce lasting benefits for the Atlantic region



and our Confederation. There was a genuine desire at all levels to work together for the common good, rather than a tendency to concentrate only on special concerns.

A meeting in Ontario, regrettably, was not characterized by the same spirit and thus the citizens of that province and its municipalities may not enjoy the increased benefits that co-operation and a willingness to work together, can bring to all parties involved.

We know that a cooperative spirit exists at municipal levels and with most provinces across Canada, as indicated by this conference and its dedication to the theme of tri-level co-operation. I hope in the future that we can build on that spirit to make the most effective use possible of the housing initiatives provided by every level of government.

I think we can all agree that there is a very great need today for suitable housing at affordable prices. Generally speaking, Canadians have always been and still are among the best-housed people in the world, but we are facing problems of supply and cost today that must be solved before we can ensure that all Canadians have access to decent housing that they can afford to buy or rent.

During the past few years, a number of federal policies and programs have been introduced that have contributed substantially to the production of more moderately priced housing, both for ownership and rental, as well as subsidized housing for people of low income.

Now we are embarked on the Federal Housing Action Program, which is a multi-pronged, comprehensive and long-range approach to help make good, moderately priced housing available in all parts of the country. Through this program, we are committed to the production of one million new, housing units over the next four years. Most will be in the moderate price range and federal support for lower cost social housing will be emphasized.

I know you are all aware of the major features of the Federal Housing Action Program, so I will not take the time available to me this evening to outline them. I would like to say, though, that results for the first few months of this year are most encouraging. If we maintain our current momentum there is little doubt that we will meet and surpass our objective of 235,000 starts for this year. This is a promising beginning to an important undertaking.

We are not concentrating only on the production of new housing, as you know. Reclaimed or rehabilitated housing in rejuvenated areas of towns and cities serve the same needs as new housing, and we attach great importance to the Neighbourhood Improvement and Residential Rehabilitation Assistance Programs.

Your organization made important contributions to the concept of NIP during its early development, and you are as aware as we are of the vital role played by municipal officials in developing and implementing NIP projects.

It is taking time for NIP to get into high gear because it is important to lay solid foundations for a program that will have a continuing influence on the character of our cities. Now the program is making encouraging progress and I can assure you that prospects for the future are exciting indeed.

Right at this moment there are 224 NIP projects under way across Canada. I don't wish to dazzle you with figures, but as an indication of the scope of these projects, they directly affect a total population of some 689,000 people who live in almost 200,000 dwellings. These current projects utilize \$97.5 million in federal grants and \$48 million in loans.

Officials at Central Mortgage and Housing Corporation cast that by the end of next year, about 352 municipalities will have selected some 450 areas for improvements under the program. About one-and-a-quarter million people will be affected.

It might be useful to take a look at a typical NIP project, as the program evolved so far. This average NIP project involves a federal grant of about \$400,000 for a neighbourhood of about 220 acres. The neighbourhood includes about 3,000 people, some 885 dwellings. Of these, about one-quarter require rehabilitation.

The federal contribution through CMHC is about 42% of total cost. The municipality contributes 38% and the province 20%. The largest part of the federal contribution is for the improvement of social and recreational facilities.

Although there has been a roughly equal number of large and small communities selected for NIP funding, there is a trend towards larger allocations for small municipalities,



even though, because of their size, municipalities of 100,000 population and over have more projects and account for the largest segment of funding.

When we go into the older areas of many cities and towns it is sad to see once proud homes showing the blight of deterioration. Such areas are not only an eyesore, but they represent a net loss to the community in property value as well as appearance. We hope that through the Residential Rehabilitation Assistance Program we can contribute to the restoration of homes that have begun to decay in NIP areas. RRAP projects are an important adjunct to NIP, as you know, and we are pleased that so many homeowners in NIP areas are taking advantage of the program to spruce up and repair their dwellings.

During the last two years, since the inception of RRAP, CMHC has committed more than \$13 million dollars for the rehabilitation of over 5,000 homes. The program is accelerating, along with NIP, and this year we expect commitments of about \$24 million for 7,000 dwelling places.

RRAP projects are underway in every province, in a total of 75 NIP areas in 55 municipalities. We expect another 50 or so municipalities to incorporate RRAP before the end of the year.

CMHC has recently made a number of changes in the program to open it up to a greater number of people. The

changes increased the individual maximum loan amounts available, as well as the maximum available forgiveness portion of the loans. These changes have made the program potentially more effective and hence more popular to homeowners.

There is, as all of you know, one difficulty in the delivery of RRAP, and that is the shortage of capable contractors willing to undertake this type of repair work. However, we believe that as the program develops, particularly at its present rapid pace, the construction industry will become more aware of the possibilities for lucrative work in the field of rehabilitation, and many more firms will get into it.

An important sidelight to RRAP is its usefulness in the area of energy conservation, which is more and more on all of our minds. RRAP can be and is used for the repair or replacement of inefficient furnaces as well as the proper insulation of homes. The result is an obvious saving in heating costs to the homeowner as well as beneficial conservation of fuel resources.

By no means is this simply an incidental advantage. During the coming years we must use every means possible to conserve energy, as all of you undoubtedly know. According to the National Energy Board, very soon there won't be enough crude oil production in Canada to meet our national

demand. In fact, by 1984, according to the NEB, we may not even be able to meet the demand West of the Ottawa Valley.

I won't go into detail on the bleak picture facing us insofar as other energy sources are concerned. You are all fully aware of the situation, and you know the dimensions of the problem.

CMHC is one of the organizations working actively to encourage the conservation of energy, to increase thermal efficiency in homes, and to seek out and apply new energy sources.

As an example, CMHC, along with the National Research Council, introduced changes into the 1975 Residential Standards that increased requirements for insulation -- including double glazing. We hope that these standards will be applied to existing homes that are or will be undergoing renovations, and CMHC has produced guidelines for that purpose. Inefficient furnaces have been pinpointed as a source of substantial waste, and current inspection procedures of existing homes may be improved or expanded to overcome this problem. I might point out here that homeowners who are not entitled to RRAP funds can obtain insured loans to improve thermal efficiency from banks and other lenders under CMHC's Home Improvement Loans Program.

Similarly, a number of CMHC programs support and encourage the construction of medium density housing in the urban core in order to avoid movement to the outskirts and the resulting reliance on car transportation.

Officials at CMHC are also investigating new



housing styles that make the most efficient use of land and, in fact, even the air spaces over warehouses and shopping centres.

But beyond these and other programs and techniques to improve the management of existing energy sources, CMHC is actively involved in exploring new sources. Solar energy is one of these.

There is no problem regarding the means of utilizing the heat of the sun for heating houses and providing other forms of energy. Solar homes have already been successfully built, and the essential technology for collecting, storing and distributing the sun's energies is already in place. Refinements and improvements are yet to come, of course, but the essential fact is that we know right now how to use solar energy in a practical way.

The major problem, then, is not a technical one. The real challenge is to increase public awareness of the potential of solar energy and to make its advantages available as quickly as possible for housing throughout Canada.

CMHC, with the aid of consultants in a variety of disciplines, is now engaged in an intensive study of the application of solar energy as well as the potential application of other new technologies that come under the general heading of "autonomous servicing."

This concept, when developed, could make individual

housing units and complete settlements relatively independent of the customary huge networks of services for heat, electricity, sewage disposal and other necessary adjuncts to civilized living.

Unfortunately time does not permit tonight an elaboration of these projects. I'm sure you recognize that each of them would require a separate speech in themselves -- but I can assure you that they involve new or modernized approaches that could revolutionize the living habits of Canadians.

Such projects, I should mention, are consistent with the objectives of CMHC's Development and Demonstration Program, which is intended to present practical, affordable solutions to problems of housing and community design.

CMHC already has demonstration projects in various stages of development in cities from Charlottetown, Prince Edward Island, to Revelstoke, British Columbia. In each of these projects, we have the co-operation and assistance of municipal and provincial governments, as well as architects, planners, builders and the residents themselves. The purpose is to actually build communities which not only incorporate innovative technology and design, but entirely new approaches to community organization.

I would like to say just a few words about land, its acquisition and its use. Municipalities are often reluctant to open up new areas for residential construction because the cost of providing services can be greater than

the revenue from property taxes. As you know, in order to ease that problem, we are now providing further financial help towards the capital costs of servicing land, and we are, in addition, providing municipalities with direct grants of \$1,000 for each new unit of housing produced that meets the requirements of modest cost and medium density.

I would like to emphasize the importance to the entire housing program of co-operation from municipalities in making as much land as possible available for residential construction. The best housing programs in the world will achieve little if there is not enough land available for new housing.

As you know, CMHC has substantial funds to assist with the public assembly of land. Although long-term needs are an important factor, we are at this time primarily interested in land that can be used for immediate starts. In funding for land assembly, priority is therefore given to land that can be brought onto the market quickly. It has been and will continue to be our policy that any profits accruing to municipalities or provinces from federally assisted land transactions be put back into the community in the form of public amenities, such as parks, community centres, day-care centres and similar projects. This, I think, is only a common-sense approach to public land transactions.



I hope it has become evident in these remarks that we support without qualification the ideal of tri-level co-operation in every area of our ministry's responsibilities. Whether we are dealing with programs such as NIP and RRAP, or innovative measures to improve the standard of life for all Canadians, we need each other.

At the Federal and Provincial levels we can put together a variety of programs and policies designed for the betterment of life, but without the co-operation -- and more than that, the active participation of officials at the local level -- we cannot hope to meet the real needs of the Canadian people, the people who live in your own communities, and look to you for efficient delivery of housing and related programs.



# Remarks by the Honourable Barney Danson

Minister of State  
for Urban Affairs

# Discours de l'honorable Barney Danson

ministre d'État  
chargé des  
Affaires urbaines

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MAYORS AND MUNICIPALITIES

June 17, 1976

Vancouver, British Columbia

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Coming out of two gruelling weeks of Habitat has hardly given me an opportunity to reflect on its various aspects sufficiently to give a definite analysis. I would like at this time, however, to give a review of the conference and how it relates to Canada and particularly its municipalities.

Some would think that Habitat was concentrated on the Middle East issues and the new International Economic Order. It is true that there were those present who used it as a forum for these and other broad ranging political issues. I must report that we did not solve all of the problems of the world. There is still not peace in the Middle East, and we could not do what the General Assembly and Security Council have failed to do. We did no better on the new International Economic Order than did the UNCTAD Conference in Nairobi in May. There is still dispute in Northern Ireland and Lebanon is still in a state of deadly turmoil.

What we did achieve is a statement on the urban and settlement scene which exists now and faces us in the next twenty-five to thirty years. We challenged ourselves and others to look squarely at the issues and for each nation as a sovereign state to start programs and set programs and priorities to deal with them with the priority and commitment they deserve.

We began a program for international action and co-operation so that information, technology, expertise and resources can be exchanged to make programs for national action work.

We heard and saw through the innovative audio visual presentations the work that others are doing, their successes and failures. In addition, we have collected all of this audio-visual material, the national reports and the immense amount of well thought out documentation and established a depository at the University of British Columbia that will be the world centre for care, enrichment and exchange of this invaluable information.

The General Assembly of the United Nations has been requested to coordinate existing housing and human settlement programs under an effective and efficient U.N. organ to implement and monitor the commitments.

The real success of Habitat will be one way in which we put words and agreements into action. This is what the vast majority of the work that Habitat was really about and to which most delegates directed their efforts.

I do not deny my own disappointment in the degree of extraneous politicization that did intrude on the conference, caused the most tension and received the most media attention. This was not unexpected. It was not a surprise, but when we look back in two or three years, it is the substantive element that will be lastingly remembered and not the politicization.

As my colleague, Ron Basford, who headed our Canadian delegation said, it was indeed sad that Canada could not have voted for the final Declaration of Principles which we supported almost in its totality because of unacceptable and, to Habitat itself, unnecessary and almost irrelevant portions. These very few words could have been changed or eliminated to achieve focus and consensus.

But if we look back to Stockholm, very few people, except a few U.N. specialists, can recall the dissent that was experienced there. Who remembers who voted on what or who was absent? We look back on Stockholm as the beginning of programs in all nations which are having immense and positive environmental impact. The springboard which has led to international agreements and action which is thankfully irreversible. The conference in which the word ecology became common to all people rather than to a few scientists and specialists.

It is my belief that in the near future, we will all look back on Habitat for what it really was, a conference on human settlements. And action that has begun will transform the lives of millions on this earth and spur us here on to action which we must indeed take as we examine and review our priorities.

Hopefully, it will be successful in exposing the divisive futility in straying too far from the agenda items at specialized U.N. conferences. The extraneous issues are indeed urgent and legitimate for the U.N., but they belong in the General Assembly.



Other matters have been exposed which are very relevant to us in Canada. When we spoke of the essential elements of water, land and sewage, many thought we were talking mainly about the poorer developing countries. Because our problems are almost insignificant when related to theirs and our resources so great, it gives us less excuse for our inadequacies and glaring neglect in the areas of our most deprived people and communities.

Largely as a result of Canadian action at the conference, we set targets for potable water in every community in the world by 1990. Canada set its own national goal at 1980. We forget that there are actually communities in Canada which do not have a reliable source of clean water.

Perhaps the question of land created the most interest for Canadians. Matters of land use, land tenure and land policy emerged as a critical matter which exposed our Canadian dilemma. Is land a commodity or a resource? I believe we are moving significantly to the view that it is a resource and should be treated as such within the context of our federal state and mixed economy.

The argument centered largely on excessive land profits and their recapture for the benefit of society when such profits are the result of public investment or decision. Some would argue that this really begs the question.

I am much more interested in the broader questions of the cost of serviced land to provide housing for Canadians. This and high interest rates are the two most important elements in housing costs today. Land profits are an important element, but only one of a list of factors which affect land costs.

At the federal level, we have major taxing powers and the ability to tailor our programs to reduce land costs. Our Municipal Infrastructure Program is a major element providing sewer and water plans and systems. Our thousand dollar per unit grant for moderate cost, medium density housing eases the burden on municipalities. Land assembly, New Community and Railway Relocation programs all contribute to the lower land costs. But still prices keep on soaring where there is an excess of demand over supply.

The Provinces have the major planning power and your municipalities have their own planning, zoning, and building permit control. The standards we all set for basic services should also be questioned. And the attitudes of people already housed all too frequently reflect an "I'm all right, Jack" attitude which causes costly delays and shortages which seriously exacerbate an already unacceptable situation.

There are too many factors and too many jurisdictions to permit simplistic solutions. It is certainly not productive nor acceptable to try to place the blame on the shoulders of others, and is not realistic, in time when we are all trying to restrain expenditures, to ask others to supply the money. The money comes from the same taxpayer regardless of which one of us does the taxing.

Because of these factors, it is essential that we take action to devise new and improved methods of planning, zoning standards approvals, and taxation by each of us, that will result in more and lower cost serviced land in good communities. I can assure you that we are doing this as a priority at the federal level, but we can't be effective in isolation. I will, therefore, be inviting the appropriate Provincial Ministers to a meeting as soon as possible to discuss a comprehensive approach to work together and with the municipalities. At the very least, we should be working in parallel and in a concentrated manner so that we can initiate action as soon as possible. The results of such an approach might be an appropriate subject for a tri-level meeting in 1976.

As many of the Provincial Ministers were part of the Canadian delegation to Habitat, I had an opportunity to speak to some of them on this matter, and they indicated their willingness to engage in such discussions. This does not imply a formal commitment by all, but we recognized the need for action as did the many Mayors on the delegation.

I have no preconceived ideas on the form such a study must take. A task force, a committee of enquiry, an intergovernmental group or a working committee of senior officials or the inclusion of the private sector, all are options that can be considered. But the problem is not going to go away and the eleven land policies we now have are not serving Canadians as well as they can. The problems will not go away if we pretend they don't exist or think that Canadians are going to be satisfied with current and emerging prices.

Energy is another area that attracted Habitat attention, and we must look to those things that make much better use of existing resources. Better design, new energy sources, more efficient use of existing resources, insulation and a truly conserving society.

Habitat emphasized the greater use of public transit and the planning of communities to reduce travel needs. Presentations were made that dealt with more efficient use of existing transit methods. This, of course, brings us to one of your major concerns and the priority concern of your President, Paul Godfrey, who has been unrelenting in his efforts on your behalf. The federal government has made commitments in this area, and they remain commitments. Some have already been implemented. The removal of the sales tax on vehicles and a one hundred million dollar program for commuter rail systems. The program for assistance in the purchase of urban transit vehicles has been delayed largely because of the need for financial restraint. My colleague, Otto Lang, and I have been working on this, and it is now at the level of Cabinet consideration. We consider this a priority concern, and had hoped to be able to make some announcement by now. The magnitude of such a program is obvious, and the availability of funding in sufficient quantity in a time of federal restraint is the major consideration which affects our timing.

The government considers public transport to be of high importance for more efficient communities, less congested cities, environmentally more attractive and healthy communities and a major factor in energy conservation.



Another matter which I know is of importance to you is the report on the Tri-Level Task Force on Public Finance. The report has been received by the Tri-level Co-Chairmen, Mr. Godfrey, representing the municipalities, the Hon. Brian Pickford representing the Provincial Ministers and myself. The federal government welcomes this report and, for its part, has expressed its willingness to participate in discussions of its content with provincial and municipal governments.

I have read the CFMM brief in response to this report, and must say I found it of considerable interest. It does demonstrate, however, the need for very real dialogue as there appears to be some interpretations I would challenge. I would refer particularly to the treatment of deficits. Federal and provincial policies have resulted in both surpluses and deficits for very different reasons than your brief implies. It does not, in my opinion, take a total view of the budgetary and non-budgetary items affecting the total financial requirements, and thus borrowing, of the Provincial and Federal governments.

The federal government also has responsibility for stabilizing economic fluctuations. If indeed we did not show book surpluses and deficits, we would not be discharging our responsibilities in this area. In other words, the numbers being compared reflect the outcome of very different activities.

The question of the inadequacies of the property tax base is seriously challenged. It would appear that the assessment base and the application of the tax are matters which must be addressed.

I point these out to indicate the work we have cut out for us. The type of unpopular but tough arguments that might be put forth when we deal with this in intergovernmental discussion. The Task Force report was to have been a first stage in the development of a common data base. We now must try and reach better conclusions as a result of this information. You must well realize from your own difficult experiences that compelling cases will have to be made in these times of restraint when all of us are having to re-orient our priorities and even responsibilities.

All in all, we have used Habitat as a time of assessment and commitment. It might, therefore, be appropriate to reiterate some of the commitments already made.

1. To ensure the construction of one million new housing units in the years 1976 to 1979.
2. To directly finance the annual construction of at least 40,000 new housing units for low and moderate income people in the same period.
3. To construct or rehabilitate 50,000 units for rural and native people between 1974 and 1982.
4. To construct or rehabilitate 20,000 native dwellings in the period 1976 to 1981.

5. To ensure that all settlements of significant size have an adequate level of sewage treatment by 1985.
6. To have a reliable source of clean water in all communities by 1980.
7. To utilize existing infrastructure in low density areas to provide some medium density housing over the next five years.

Beyond these targets, I would like to propose (for discussion purposes) the following additions:

8. To rehabilitate 100,000 dwelling units by the end of 1985.
9. To encourage over the next fifteen years sensibly designed "infill" housing for senior citizens and single persons in existing neighbourhoods. I should add by way of explanation that there are those who are currently overhoused who will find it increasingly difficult and expensive to maintain accommodation in excess of need. Infill housing for them will fill up a large stock of existing family accommodation.
10. To increase the thermal efficiency of three million dwelling units by 1990.
11. To achieve zero net energy growth in the residential sector by 1985.
12. To achieve zero net energy growth in urban transport.

These targets cannot be achieved by the federal government alone. They will require coordination and support by all levels of government and the private sector which, in our society, plays the essential

implementation role. Where the goals are clear, I have every confidence that they too will respond to the challenges in a dynamic and innovative way. These are some of the commitments and challenges that came out of Habitat.

The most important, however, sometimes lost in the more spectacular rhetoric is the commitment of all to the absolute priority of looking after the needs of those most in need in our society. The poor, the handicapped, the single parent families, the socially handicapped and the culturally disoriented. Of special concern in the Canadian context are the problems of our native peoples, in our cities as well as in remote areas. They and their leaders are acting with increasing organization, confidence and impatience. Political leaders at all levels must make even greater efforts to work together with them so that they can maintain hope and achieve the dignity that has all too often been taken away from them.

Before closing, I would like to announce important changes within my portfolio affecting the Ministry of State for Urban Affairs and Central Mortgage and Housing Corporation. These are designed to increase the effectiveness and efficiency of both of these organizations and their ability to achieve the purposes for which they were established.

On assuming this portfolio, I became aware of expertise in each that was duplicated and other elements that were complimentary but not well coordinated. A new organizational structure has now been implemented that will better increase this efficient coordination. The Ministry will



be largely responsible for the harmonization of the essential urban thrusts within the many federal departments and for the broader urban policy areas. The implementation of housing and infrastructure programs will remain within CMHC.

To make certain that there is a common thrust and essential political direction, I will be served by a deputy or secretary as is the designation in the Ministry, who will have responsibility for both of these elements. I am, therefore, pleased to announce that Mr. William Teron, who has been acting Secretary, will be Secretary of the Ministry of State for Urban Affairs, as well as Chairman of the Board of Central Mortgage and Housing Corporation.

Mr. Raymond V. Hession, who has been Executive Vice-President of CMHC, becomes President of the Corporation and chief operation officer.

I believe that these changes will assist greatly in increasing the effectiveness of the Ministry and provide me with consistent policy advice as well as more consistent implementation of programs for the benefit of Canadians.

In closing, might I say how grateful I am for the contribution the CFMM has made to the effectiveness of the Canadian preparations for Habitat and for the outstanding role your representatives played as members of the Canadian delegation. I also want to pay tribute to the City of Vancouver and its residents for the cooperation in arrangements and programs

and their warmth and hospitality which was commented upon so frequently by our distinguished guests from some 140 different nations. They gave our visitors an impression of Canada in this beautiful city which make all Canadians feel proud.



# Remarks by the Honourable Barney Danson

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It may well seem to us here on the shores of Georgian Bay in Parry Sound that the whole question of bilingualism is somewhat remote. It hardly touches us except when we see that the Post Office is also the Bureau de Poste. In going through the telephone directory there are probably as many names denoting a German background as French -- at least until you get down to Waubauskene or up to the French River or Sudbury.

If we think back in history we will remember that it was Samuel de Champlain who was the first white man to set eyes on Georgian Bay and thus set the stage for the development that opened up this beautiful area.

Our history should give us a sense of pride and continuity. Some think that part of our history was settled for all time on the Plains of Abraham. But that battle only resolved whose colony we would be not what we would be. The Fathers of Confederation really determined the nature of Canada as we have known it for the past 109 years. Macdonald and Cartier along with their colleagues set ground rules which served us well and reflected the Canadian reality, the duality of its founding people, since enriched by the millions of immigrants from other lands - people who chose Canada as their home in the full knowledge of its make-up. Indeed they may well have chosen Canada because of the rights that

were respected and guaranteed to the significant founding minority. It augered well for those who left other lands where such respect, such rights, were not common.

This relationship survived some trying incidents which tried chip away at these rights, sometimes causing distrust and suspicion. Yet Canadians would not allow smallness and intolerance to prevail. We elected and re-elected two of our most able and beloved Prime Ministers from Quebec - Sir Wilfrid Laurier and Louis St. Laurent. It is interesting to read Laurier's words as they were delivered in St. Jean, Quebec in 1911. Quote:

"I am branded in Quebec as a traitor to the French, and in Ontario as a traitor to the English. In Quebec I am branded as a Jingo and in Ontario as a separatist. In Quebec I am attacked as an imperialist and in Ontario as an Anti-Imperialist. I am neither. I am a Canadian. Canada has been the inspiration of my life.

I have had before me as a pillar of fire by night and a pillar of cloud by day, a policy of true Canadianism, of moderation, of conciliation. I have followed it consistently since 1896 and I now appeal with confidence to the whole Canadian people to uphold me in this policy of sound Canadianism which makes for the greatness of our country and of the Empire."

As a young soldier, I first went to Ottawa for a small arms course at Connaught Range and was exposed to our capital city which I have come to love. I can't help but wonder what I would have felt, in visiting parliament and my own government institutions of which I was so proud, if no one could speak my language.

If English were treated at best with tolerance, often with contempt, and always by exception, I am sure that I would have wondered what my place was in my country. I certainly would not have felt at home.

My regiment formed one of the three battalions of the Eighth Canadian Infantry Brigade under Brigadier Archambault, a much decorated veteran of World War 1. The other two battalions were Le Regiment de la Chaudière, a totally French language unit from Quebec and the North Shore New Brunswick Regiment which was perhaps half French speaking. Somehow I managed to become a reasonably effective N.C.O. and Officer with the help of English language training manuals, and although it never even occurred to me at the time, my French speaking comrades struggled through with these same English manuals.

I find it today a matter of shame that one of the paynight sports was to take on the "frogs". It wasn't the rule, but a sufficient exception by a minority of English speaking troops to make me think now that many of them might have wondered what they were fighting for. In a very small way it was not unlike the Jew baiting that was reaching tragic proportions in Germany.



Somehow we survived -- not all of us by a long shot. The gravestones in Normandy are tragic testimony to that. The brigade fought with distinction and on those tombstones are the names of four of my five closest friends and also the names of equally gallant men from the Chaudieres and the North Shores such as Leblanc, Thibeault, Nadeau and others. I think of names like Tessier and Gougeon who served with my own regiment. Rene Tessier who won a Military Medal as a sergeant in France.

I hope you will forgive the reminiscences of an old soldier, but they help put things in the perspective I have, and they are facts of our Canadian background. Quebec after the war was still looking in on itself, dominated by a sometimes mediaeval church structure and often corrupt, even oppressive political regimes. French Canadians elsewhere in Canada had to settle for second class status and, as in Quebec, had little hope of gaining access to the better jobs and opportunities Canada presented. It was an old pattern with which we lived and most accepted -- English and French.

But just as in English speaking Canada, and the rest of the world, communications and education began to open eyes and minds. Just as in English-speaking Canada, and the rest of the world, people sought an end to the domination of outdated institutions, but in Quebec it was not easy. Unlike English-speaking Canada the traditions and powers were so deeply rooted that it took a particular brand of courage and tenaciousness to gain freedom of expression, to fight those who benefitted by the status quo and those who were comfortable with it.

As elsewhere, a new generation was beginning to take over, a generation with broader visions, who were educated, travelled and exposed to the world by radio, television and literature. Leaders emerged who would not tolerate the indignities of the past and were prepared to dedicate their lives to a new and better society for their people. Men such as Gerard Pelletier, Jean Marchand, Rene Levesque, Claude Ryan, Maurice Sauve, Maurice Lamontagne and Pierre Trudeau. Dedicated to Quebec as we are dedicated to Ontario and no less dedicated to Canada than you and I.

One of the basic strengths of our country is its respect for people for what they are. One of the basic motivations is equality of opportunity and pursuit of that opportunity. One of the basic conditions of our Confederation is the enshrinement of the French language and its preservation. It was relatively easy in the past when it wasn't visible to us but when that right is exercised in a really meaningful way, so that it begins to become effective in the context of our society today, we begin to respond.

We could respond positively or negatively. Positively because almost a third of our people are throwing off the yokes we ourselves previously spoke of with derision. Positively because they would be taking a more dynamic role in our economy, helping it expand to everyones benefit. Positively because we were being enriched by another language and culture with which we could learn to live and flourish and which was finding its

proper place in our society. Not because it was being crammed down our throats but because we were at last making a beginning in coming to grips with this reality and this right.

Some chose to react negatively, resisting even minor inconveniences, if indeed they are inconveniences at all. Not even wanting to pay a small price for the rights of others, for the opportunity to make our Confederation a reality. Not wanting to give a third of our fellow Canadians an even break. Not prepared to allow the basic dignity of pride in one's own language and culture a pride and dignity that most of us here would give our lives for if they were threatened.

When this negative reaction was felt, sometimes with a vengeance some Quebecers gave up in frustration. Rene Levesque moved to separatism. But others were too committed to Canada. Optimistic or at least hopeful that Canadians were big enough, far sighted enough, sensitive, selfless, enlightened and decent enough to make it all work. Skeptics on both sides failed to deter them and they chose to go out and fight on three fronts. In parliament, and across the country, and in that continual rearguard action at home.

The Trudeaus, Pelletiers, Marchands and others, and a new bright, articulate and dedicated generation of young Quebec MPs DeBannés' Joyals, Duclos', Bégins' and others who are Canadians of whom we could all be proud and if here in Parry Sound would be community leaders and respected affectionately by all of you.

. .

They are not asking you and I to become bilingual. No more than airline pilots are being asked to become bilingual. They are simply telling us that if Canada and Confederation are to work, Francophone Canadians must feel part of Canada. They must be able to be served by their own government in their own language and have access to their government - a right guaranteed to them 109 years ago.

You and I can manage and prosper speaking only English in government or anywhere across Canada. Try doing that in French. I can't name one Cabinet Minister, one Deputy Minister, one senior official in government who is not fluent in English. In fact it's impossible. There are many, indeed still most, including myself, who can't hold an elementary conversation in French. It's true our members are declining and if we are wise we will develop our educational system so that I will represent the last generation of Canadian Federal Ministers who are unilingual. My Quebec colleagues don't have that luxury. They never had that chance.

Our children are facing and travelling in a world where a second language is a distinct advantage and where in most countries it is mandatory. A second language broadens their horizons and gives them social and economic opportunity that we should encourage.

The tragedy is that in Ontario we have dropped French language training as a prerequisite to university entrance. We have made the mistake of turning a Canadian opportunity into a Canadian problem. The sheer stupidity of it is appalling. The sheer indignity of it is inexcusable.



The world will go on. Canada will go on. The question is whether we will go on together and as a team. A team with differences but with common objectives and mutual respect -- and with equal opportunity and self respect.

It shouldn't be surprising and it shouldn't be resented if young Quebecois have the same aspirations as do our children. As they have also enjoyed growing prosperity and a growing standard it is not surprising that they have enjoyed cars, travel, snowmobiles, which they invented, and even private flying. It should not be surprising in a province where the vast majority are at home only in French and some speak only French, that they would feel safer dealing with their aircraft controllers in their language. Just as in most other countries where English is not the common language. It's not new to international pilots, its just relatively new to Canada.

And this is where I am disappointed in one of the most educated, respected and best paid groups in Canada. We have always had a special pride in our pilots. It's part of our frontier tradition starting with our bush pilots. Enhanced by the distinguished record of the RCAF in wartime. I'm disappointed because I don't believe the rank and file pilots, and I wonder if that term is really applicable to pilots, really knew what their leaders were starting when they chose to challenge the issue of bilingual controllers in Quebec international airports and likely the Ottawa/Hull airport in the national Capital Region. Challenging the issue in principle rather than on its merits. Facing the issue is fair and responsible but to virtually reject the interest of Quebec pilots and to exercise virtual veto

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powers over those who have been responsible for Canada's air safety, and shown great responsibility in doing so, is inexcusable.

Particularly so when they saw and knew that much of the public concern and support for their position was based on false premises and frequently gross intolerance.

I still meet people who really believe that it would require all pilots to be bilingual while as you know this is not and never was the case.

I have almost a naive faith in the decency of Canadians and especially in the context of our free institutions, free speech, free press and free political system. I think we should cool it for a bit. Let's get the facts rather than the misunderstandings. Let's be rational rather than emotionally reactive. Let us look at this one issue on its merits and let us look at Canada and its future with full awareness of what is at stake.

Let us look at our opportunities rather than to our problems. And let us in doing so think about the quality of Canadianism and the need to practice the brotherhood at home that we preach abroad.

I know I speak from a privileged position. I served with Quebecers in wartime. I have prospered with them in business and enjoyed their trust and friendship. In Parliament I work with some of the most conscientious and devoted Canadians I have known and I leave them each weekend or

recess when they go back to their constituencies to fight for a united Canada. To fight the separatists option. An option more will take seriously when they read of the intolerant reactions of some Canadians in the press and particularly in the letters to the editor columns. The separatists are thriving on it. They are saying "We told you so".

I urge them to think of the majority of Canadians who do not write letters to the editor. To the editorial comment of our most respected newspapers. To the voices of the opposition leaders in Parliament who unanimously support the government's position even though they cannot and should not resist criticising us when they think we have been wrong in implementation, and I urge them to think of the immense and hard-gained progress of the past ten years.

At the same time, I urge all of us to think seriously about those who set themselves above freely elected governments and hold the people of Canada to blackmail to cut off essential services whether they be air service, postal service, railways, hydro, garbage, educational or health services to gain advantages other Canadians don't have.

In Parry Sound in the summertime -- or any other time for that matter -- it's easier not to be bothered by these problems. They really don't affect us from day to day. We have the water, our boats and lots of fish out there to be caught and tourists to serve. But that would be a cop out. We can't live in isolation, in our comfortable cocoons any more in Parry Sound than Canadians can in Lethbridge, Alberta or in lotus land

of British Columbia. Not any more than we in our beautiful and rich country can isolate ourselves from the rest of the world no matter how easy that would be in the very short term and, to some, so tempting.

We owe more to ourselves

We owe more to our brothers

And we owe much more to our children and to theirs

Let us recall the words of the poet Sir Walter Scott who, in 1805, said:

Breathes there the man with soul so dead

Who never to himself has said

This is my own, my native land.

Scott didn't say "except Quebecers".

I would like to end by suggesting that Rotarians can take a lead in this country by challenging all Canadians through each local Rotary Club as it challenges itself. By applying its four-way test to Canadian unity and specifically to bilingualism. You know the words by heart, but I will repeat them for non-Rotarians here.

"Is it the truth?

Is it fair to all concerned?

Will it build goodwill and friendship?

Will it be beneficial to all concerned?



I think this sort of test could be used by all Canadians and including all politicians. Certainly the Rotary motto "Service Above Self", should be. It is the sort of noble sentiment that you carry into action. It is a case where Rotary Clubs across Canada can touch Canadians and perform a great service to this, our most fortunate land.

# News Release

# Communiqué

## Remarks by the Honourable Barney Danson

Minister of State  
for Urban Affairs

## Discours de l'honorable Barney Danson

ministre d'État  
aux Affaires urbaines

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HONOURABLE BARNEY DANSON, PC., M.P.

MINISTER OF STATE FOR URBAN AFFAIRS

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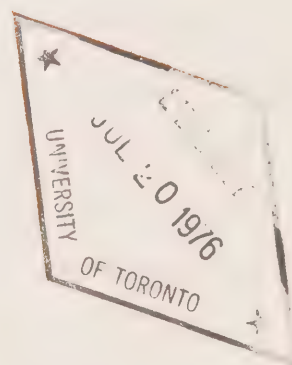
WORLD CONGRESS ON SPACE ENCLOSURES

HOTEL BONAVENTURE

MONTREAL, QUEBEC

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It is just a few weeks since Habitat: The United Nations Conference on Human Settlements concluded in Vancouver, a conference in which all of you here had a deep and direct interest. For space enclosures are an important element in our habitat, the human settlements of mankind. The nations and expertise present here were also represented in Vancouver and the results of Habitat will have a lasting influence on your area of specialized professionalism.

The work this U.N. Conference was called to address was the result of long and painstaking preparation on the part of many nations and non-government organizations. It found its genesis in the Stockholm Conference on the Environment where it was realized that the natural environment and the built environment covered such broad areas and required such different approaches and skills that it was necessary to deal with them separately.

There are, however, analogies between Stockholm and Vancouver. They each represented a turning point in their respective areas. Long preparatory processes focused the attention of nations on the problems which required participants to assess their positions and chart new directions, while developing the organisms and skills to deal with environmental and ecological concerns in the case of Stockholm, and human settlements concerns in the case of Vancouver.

In both cases there were tense political issues which intruded on the conferences and which attracted the media's attention to a greater extent than the actual substance. While these broader, and, to many, extraneous issues, were not resolved, indeed could not be resolved at such specialized conferences, they reflected the intensity with which they are felt by some nations. Most delegates and delegations



were composed of specialists who came knowledgeable in and committed to the serious questions of housing, of urbanization, planning, infrastructure, water, community services building techniques, energy conservation, demographics and the entire range of human settlements issues.

The interchange was significant. The degree of consensus great. Indeed there was virtually complete consensus on these human settlement issues. And in retrospect this will be what is remembered. Just as it is the environmental issues and initiatives that are associated in everyone's minds when they reflect on Stockholm.

Before Stockholm preparations began, few nations had environmental programs and ministries. Today they are common. We now see an active U.N. agency, UNEP in Nairobi, monitoring environmental action on a global scale. We have seen the Canada-U.S. Great Lakes water quality agreement, agreement on the Baltic Sea and recently the Barcelona agreement on the depolution of the Mediterranean Sea, an agreement signed by most of the nations bordering the Mediterranean including those who are protagonists in the Middle East conflict. A hopeful sign which demonstrates that nations are at times capable of rising above current political dispute in everyone's long term interest.

Even now we are able to look back on Habitat and follow through on our agreements while the hot political issues move on from conference to conference and back to the General Assembly and Security Council where they belong.

Each nation prepared a national report which assessed its own situation. Some of these told of their mistakes and, many they are rectifying now and changes they have made so they are not repeated. As a result of Habitat they will now draft and implement programs for national action. This will involve planning, organization and technology in which you will be involved. As interested professionals you can assist your governments in this process and, where necessary, spur them on to the sort of progressive action necessary.

Action goes on beyond and between the borders of sovereign states. There is now a wealth of information which can be drawn upon as a result of the comprehensive documentation and immense amount of audio-visual material prepared by nations for the Conference. Some of it is straight propaganda, but more of it is valuable in demonstrating what has and is being done. This material is housed in a new institute at the University of British Columbia which will be the world distribution centre for this material which is available to all.

But it's more than just a distribution centre. The material will be improved and augmented so that it is kept current with evolving

needs and evolving solutions and, if honest will demonstrate the new mistakes we make as we search for new and innovative responses to human settlements problems. Indeed I would hope that documentation from a conference as vital as yours would be sent to this centre so that it might be available as a further UN resource. You might very well wish to develop special material, particularly films, for this purpose.

There was a sharp distinction at Habitat between the problems in the industrialized and developing world. In countries such as mine we have the resources and the skills to deal with our problems, though we can learn much from others. What we require is to avoid crises, the establishment of priorities and the political commitment to these priorities. In most developing nations, with rapidly expanding populations and an even faster rate of urbanization, the crisis is today and it is accelerating to explosive levels.

The problems of the developing nations do not lend themselves to sophisticated solutions but to sophisticated leaders who will tackle massive problems with relatively simple solutions.

Middle class housing in middle class communities with sophisticated infrastructures may be very real responses in the industrial world but they don't relate to the urgent problems of the great mass of humanity.

The massive resources of the world could be used to house a few million, maybe a couple of hundred million people reasonably well by any standard, but that would leave many hundreds of millions of people in squalor with its accompanying disease, frustration and unrest. Through new international institutions geared to the needs and priorities of sovereign states there must be a massive interchange of resources, technology and skilled personnel to supply the basic services that are essential for survival. The basic priority established at Habitat was for the needs of the poorest to be addressed first. The next was for the provision of clean, potable water in every community by 1990. Along with this there must be some system of sewage disposal so that human wastes no longer putrefy communities, infest water supplies and spread disease. This is not to mention the saving of human resources in countries where women spend five or more hours each day hauling water. This is so basic that it seems incredible that it needs repeating, but it is going to take herculean efforts to reach the targets set if people are to survive and hopefully flourish in dignity. It is not in the high technology that the answers lie but in the low and medium.

I have heard earnest people talk of zero population growth and less than earnest people who believe that increasing health and living standards only contributes to population growth. The zero population advocates would tell people how many children to have and distribute



birth control devices and family planning advice to untold and unschooled millions who would obediently comply. Simple, but it hasn't worked and won't work. First of all, less developed nations might be excused for believing that white Western nations want zero population growth for others. Most importantly, family planning is a luxury few can afford or even contemplate.

When the combined family work force is essential to haul water and till soil, zero population growth is perceived as self inflicted genocide. If, however, clean water and elementary sewage and health services allows most of your children to survive, rather than most dying in their first five years as at present, people will start to make their own decisions. This is particularly so as literacy and educational levels are raised. When skills are acquired that reduce the need for larger families. When survival levels are raised to truly living levels and people cease simply to respond to their environment and needs but exercise conscious choices.

The challenge is massive but the problems will not simply go away. They are growing to -- and in many cases have already reached -- levels of despair. Despair that will and has reached levels of unrest and explosion. Explosions that are repeating themselves with greater frequency and ferocity, and from which none of us can remain immune.

That is why I urge you to direct an increasing amount of your talent to space enclosures that are relevant to the greatest numbers of people. The least advantaged as the U.N. jargon goes for the desperately poor. With the greatest respect and admiration for the

gurus of space enclosure at whose feet I have sat - the future survival (I say ours as well as theirs) depends on enclosures and simple living systems that are achievable for the most, not only the few.

Certainly we must also address ourselves to the problems of the developed or more properly industrialized societies -- because I have seen many developed societies which are poor. They can take advantage of your skills and technology. It is possible that some solutions will be readily transferable or adaptable between the rich and the poor -- the developing and the more developed. The need is great. The market good. But we must keep the total market in perspective and in the total market a great deal of it may seem less glamorous and perhaps less profitable. But frankly I think the challenge is greatest and indeed more challenging and likely, if I know human nature, will incidently be more profitable. Profitable for all and profitable in both human and economic terms.

That is just a bit of what Habitat was all about. A turning point. A raising of awareness. The identification and articulation of the problems, the establishment of priorities and mechanisms to achieve them. Each of us now has an obligation to pursue the message from Vancouver in our own countries and in response to the special needs of our own societies, economies, climates and cultures. And a further obligation to make the interchange of skilled people and resources a very real part of our global community.

Regrettably we were unable to resolve the problems of Northern Ireland, of Lebanon, Cyprus, the Panama Canal or the Arab-Israeli conflict, although all found their way into the Conference in spite of our lack of mandate or competence to deal with them. I know that we all share the hope that these critical problems can be resolved so that the tragic waste of resources in these areas of seemingly endless political confrontation can be directed to raising the standards of those over whom we fight. But they are problems that reflect the real world and the real world like pollution, poverty and disease, is not always beautiful.

But it is our world. And I hope that our collective genius can lead us to treating it, and one another, better than we have managed to do so far.

Thank you.

# Remarks by the Honourable Barney Danson

Minister of State  
for Urban Affairs

# Discours de l'honorable Barney Danson

ministre d'État  
chargé des  
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Canadian Construction Association

Jasper Park Lodge, Alberta.

Monday, July 12, 1976.

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In both cases there were tense political issues which intruded on the conferences and which attracted the media's attention to a greater extent than the actual substance. While these broader, and, to many, extraneous issues, were not resolved, indeed could not be resolved at such specialized conferences, they reflected the intensity with which they are felt by some nations. Most delegates and delegations were

composed of specialists who came knowledgeable in and committed to the serious questions of housing, of urbanization, planning, infrastructure, water, community services, building techniques, energy conservation, demographics and the entire range of human settlements issues. The interchange was significant, the degree of consensus great, indeed there was virtually complete consensus on these human settlement issues. And in retrospect this will be what is remembered. Just as it is the environmental issues and initiatives that are associated in everyone's minds when they reflect on Stockholm.

Before Stockholm preparations began, few nations had environmental programs and ministries. Today they are common. We now see an active U.N. Agency, UNEP, in Nairobi, monitoring environmental action on a global scale. We have seen the Canada-U.S. Great Lakes Water Quality Agreement, agreement on the Baltic Sea and recently the Barcelona Agreement on the depollution of the Mediterranean Sea, an agreement signed by most of the nations bordering the Mediterranean including those who are protagonists in the Middle East conflict.

A hopeful sign which demonstrates that nations are at times capable of rising above current political dispute in everyone's long term interest.

Even now we are able to look back on Habitat and follow through on our agreements while the hot political issues move on from conference to conference and back to the General Assembly and Security Council where they belong.

It is interesting for a practical group such as yours to try and relate the world of the U.N. to the world in which you must function from day to day. You can say that it is so far removed from the realities of our experiences that we can simply ignore it.

That's one response, I agree. The impact will not be obvious immediately but ultimately it will. When I was a businessman I waited to see the results of political talk and then reacted in the best way I could in my own and my company's interest.

But unreal as international political meetings may appear, they represent the current state of the real world whether we like it or not. The trends that are developing, the power plays at work and being exposed.

What is more directly relevant are the positions taken by our own government. On international co-operation, a major subject, those of you engaged in overseas projects can pursue your interests in the context of Canada's growing role on the world scene and particularly through agencies such as CIDA.

On the domestic front you will be interested in Canada's commitment to piped water in every community by 1980. We sometimes forget that there are communities in Canada, particularly remote communities, who still don't have this basic facility.



The entire matter of land costs attracted particular attention but focused almost entirely on incremental gains or windfall profits resulting from public investment and decision.

While I admit this is an area we must address, it is only one element in the spiralling cost of serviced land for housing. Canada's position may have seemed confused but it reflected the reality of a federal state and a mixed economy that defies simplistic solutions. We at the federal level have very limited jurisdiction. We have taxing powers and many incentives. Our municipal infrastructure program for sewer and water services. Land banking and new community legislation. The incentives to municipalities for speedy approval of moderate cost medium density housing --- a thousand dollars for each such unit approved. And, of course, there is our commitment to a million new dwelling units over five years which assists orderly planning and economic operation.

And I might mention parenthetically, that we are well ahead of target in our 1976 objective of 235,000 units with present figures for June indicating 278,700 starts, an increase of 7,000 over May.

The provinces have the major planning power. The municipalities both planning powers and the ability to approve building permits. Delays in these areas are critical in adding to costs.

For these reasons I have called a meeting of provincial and federal ministers for later this month to begin an intensive study or inquiry into the factors affecting land costs and how each of us can use our powers and provide the administration and services essential to overcome a situation which we all agree is unacceptable.

The input of the private sector will be of immense help in this endeavour as you, along with the consumer, are vitally affected and can provide assistance which will prove invaluable.

In our society and economy it is the private sector who does the building, makes the investment and takes the risks. Governments can assist, can reduce risk and provide incentive. The private sector has served us well. We are the best housed people in the world both in qualitative and quantitative terms. In spite of this we have some glaring exceptions and costs are increasing beyond reasonable or acceptable terms. Interest rates and serviced land costs are the two major cost factors. Only a reduction in inflation will bring interest rates to acceptable levels and reduce the need for interest-reduction subsidies. But with land we have the ability to improve our processes significantly so that this resource is delivered wisely and economically. It is a finite resource that can no longer be treated simply as a commodity and it will command all the wisdom we can

collectively bring together to do justice to its proper use in society's interest.

I would like to take a moment to review the commitments already made by the federal government both in housing and also those arising out of the Habitat Conference.

1. To ensure the construction of one million new housing units between the years 1976 and 1979.
2. To directly finance the annual construction of at least 40,000 new housing units for low and moderate income people in the same period.
3. To construct or rehabilitate 50,000 units for rural and native people between 1974 and 1982.
4. To construct or rehabilitate 20,000 native dwellings in the period 1976 to 1981.
5. To ensure that all settlements of significant size have an adequate level of sewage treatment by 1985.
6. To have a reliable source of clean water in all communities by 1980.
7. To utilize existing infrastructure in low density areas to provide some medium density housing over the next five years.

Beyond these targets, I would like to propose (for discussion purposes) the following additions:

8. To rehabilitate 100,000 dwelling units by the end of 1985.

9. To encourage over the next fifteen years sensibly designed "infill" housing for senior citizens and single persons in existing neighborhoods. I should add by way of explanation that there are those who are currently overhoused who will find it increasingly difficult and expensive to maintain accommodation in excess of need. Infill housing for them will make available a large stock of existing family accommodation.
10. To increase the thermal efficiency of three million dwelling units by 1990.
11. To achieve zero net energy growth in the residential sector by 1985.
12. To achieve zero net energy growth in urban transport.

These targets cannot be achieved by the federal government alone. They will require coordination and support by all levels of government and the private sector which, in our society, plays the essential implementation role. Where the goals are clear, I have confidence that they too will respond to the challenges in a dynamic and innovative way. These are some of the commitments and challenges that came out of Habitat.



Most important, however, and sometimes lost in the more spectacular rhetoric, is the commitment of all to the absolute priority of looking after those in our society who are most in need -- the poor, the handicapped, the single-parent families, the socially handicapped and the culturally disoriented.

Of special concern in the Canadian context are the problems of our native peoples, in our cities as well as in remote areas. They and their leaders are acting with increasing organization, confidence and impatience. Political leaders at all levels must make even greater efforts to work together with them so that they can maintain hope and achieve the dignity that has all too often been taken away from them.

I have mentioned the need for national action as a result of Habitat and have given an outline of some of the steps Canada is taking.

It is rather interesting that Canada has for the past two years been involved in a program dealing with the quality of our living places, our human settlements -- the Demonstration and Development Program.

The mandate given to CMHC in its broadest terms is to explore some of the options for community life in the future, based on the concern not just with shelter but with the whole community environment in which people live, work and play.

The principal role of the program is to pioneer new approaches to the living environment -- to bring closer to reality the kind of housing and community that people can and might have as an alternative to what is currently offered.

To do this we develop innovative or significant improvements in construction, engineering, architecture and town planning but the program is not confined simply to research and experimentation.

Demonstration and Development is organized to create actual living communities in which innovative but practical ideas are employed to produce improved living conditions more in tune with a changing world.

In case you are wondering, I might point out that CMHC has not suddenly gone into the development business but we do realize that since the residential construction industry is a high risk enterprise, you cannot for the most part depart very far from the traditional proven way of doing things.

We have the resources to investigate and develop new and promising approaches and can provide the leadership required to transform supportable theory into proven reality, taking into account ways in which the social and economic aspects of housing as well as the Community can be enriched or improved.

We are travelling in an interesting variety of directions to accomplish this objective. I would like to take a few minutes to describe some of the most potentially rewarding Demonstration and Development programs of CMHC that are currently underway.

Most of you have already heard about our community demonstration projects, which are intended to show how innovative approaches can produce important improvements to the living style in both urban and suburban developments. Two such projects are already in the advanced planning stages in the Ottawa area. They are Woodroffe, a suburban area in the South-Western part of the Ottawa metropolitan area, and LeBreton Flats, an area in central Ottawa which is about equidistant from the heart of both Ottawa and Hull.

In Woodroffe, we will build a total community incorporating some of the most advanced ideas existing in the areas of innovative technology, house design and community organization. LeBreton, when completed, will stand as a model of revitalization within a city's core area.

Other demonstration projects are underway in Charlottetown, Prince Edward Island, and Revelstoke, British Columbia, and more are planned for other parts of Canada.

We are governed by three cardinal rules in the planning of these demonstration projects. The first is that each project must provide the bulk of its housing in the

moderate price range. The second is that each project must be capable of duplication in other areas of Canada with whatever modifications may be necessary to meet local conditions. And thirdly, these projects must respond to the real needs of people. This means that local people must have the opportunity to participate actively in their planning. In all cases so far, we have, by means of citizens' committees, given the public a meaningful voice in every stage of the planning process, and we will continue to do so in every subsequent project.

These projects will, in every case, exemplify the most efficient and economical use of available land for residential development. Urban communities, as all of you know, are bursting at the seams. About half of our existing housing stock consists of single-family dwellings, most of them on fair-sized lots, and we can no longer afford that luxury. Too many people require too much housing in too few urban centres.

Conventional approaches will not solve the difficulties. Something will have to be done to put a high volume of inexpensive housing on the market without sacrificing quality for expediency. In order to establish a more reasonable relationship between incomes and housing costs, it will probably be necessary to introduce innovative and imaginative changes in the use of materials as well as building techniques and styles. One of the purposes of our demonstration projects is to explore these alternatives.



The trick is to obtain medium-density housing -- anywhere from 10 to 45 units per acre -- without neglecting the values of acceptable community and family life. People want identity; they don't want to be simply an undefinable component of a faceless structure. They want an individual address, for example, and they want convenient access to the street. They want outdoor space they can call their own; they usually want someplace to put the family car; and they want living convenience, close to all the amenities.

This may seem like a tall order, but it can be done, and we intend to show just how it can be done. There are a variety of approaches, ranging from the zero lot-line concept for individual homes to town houses in clusters with individual court yards, and we are examining and evaluating all of them. We are even examining the potential of warehouses and the air space over shopping centres for housing purposes.

Our evaluation is in terms of people and their reactions to a variety of living styles. If the people aren't satisfied, the type of accommodation is inadequate, no matter how pleasant and convenient it appears to be on the drawing board.

Demonstration and Development is exploring innovation in other fields as well. For example, CMHC professionals in a variety of disciplines, with the aid of

outside consultants, are in the midst of an intensive study of the most useful contribution we can make to the application of solar energy to housing and community design.

As you know, the technology for collecting and putting solar energy to use is already in place, but the real challenge now is to make its advantages available as quickly and as economically as possible for housing throughout Canada or in those areas where it is economically feasible.

We are currently examining the feasibility of building a housing project, or perhaps a number of housing projects, that would demonstrate the potential applications of solar energy and other new technologies.

Such undertakings would be a part of our continuing exploration of a broader settlement policy -- the idea of "autonomous servicing".

This concept would make individual housing units and entire communities relatively independent of the customary huge networks of services for heat, electricity, sewage disposal and the other necessary adjuncts to civilized living.

"Autonomous servicing" would be a giant step towards conservation of non-renewable services. In addition to solar energy for heating purposes, it would include local treatment and recycling of solid and liquid wastes and windpower generation of electricity.

One of the most important projects at CMHC -- the CANWEL system for waste management -- is already a reality. The name CANWEL is an acronym for the Canadian Water Energy Loop, and it is a self-contained system for managing domestic wastes, both liquid and solid.

CANWEL was developed through collaboration between CMHC and the Ontario Research Foundation, and it is a Canadian "first". It does not utilize any revolutionary or heretofore unknown techniques, but it applies proven treatment techniques in new ways to produce a highly efficient and economical method of waste management, pollution-free heat production and energy conservation.

We are going to install CANWEL in a Toronto apartment building later in the year as a practical demonstration of the system. It will burn the residents' garbage without creating any pollution, and it will generate heat to provide them with hot water.

CANWEL will take the waste water from all of the apartments, treat it, and discharge it in a form that will be cleaner than any of the lakes and rivers it will run into.

If CANWEL were used to its ultimate potential, it could take the effluent, give it further treatment, and return it to the building for laundry, flushing toilets, or any other domestic use. It could, in fact, convert the effluent into good drinking water, although it is not likely that such an application will ever be necessary in urban

Canada. There are, however, parts of the world where that process is a practical necessity, and a number of countries at Habitat expressed interest in the system, which was explained through a film shown to delegates.

We are confident that CANWEL will prove to be a simple, wholly reliable and highly efficient system of waste management that will satisfy the most demanding requirements for protection of the environment and conservation of energy resources. It will, in addition, be economical to install and cheaper to operate than conventional processes. We feel sure that CANWEL -- and its separate solid waste and water treatment sub-systems -- will be a very marketable product within and outside of Canada. Needless to say, we are quite proud of it.

I would like to emphasize that our Demonstration and Development programs are not primarily experimental in nature. They combine research and action to produce innovation that others can see and emulate. All Demonstration and Development projects must be economically sound, and they must be proven in the field as well as in the laboratories. They must be realistic developments that can be used and are affordable by the people for which they are designed. And, finally, they must be capable of immediate application by commercial developers and builders, with local modifications if required, in any area of the country.



Some of the Demonstration and Development work at CMHC is innovative, some of it is a different application of existing ideas, but all of it is intended to provide Canadians with improved living styles and broad choices in their mode of life -- now and in the future.

Throughout the course of my remarks I have consciously emphasized realism in our approach to our own problems and to the problems of the world as discussed at Habitat.

I say this because I firmly believe that all the great ideas in the world for solving mankind's problems are only as good as our will to employ them in a concrete practical and realistic way.

Certainly the Demonstration and Development Program is one such practical example. But so are the commitments upon which we reached consensus at Habitat. They are very much a real reflection of what we know we can do and a realization of what we know we cannot do, at least for the foreseeable future.

I look forward with great anticipation to Canada's continuing deep involvement in human settlement issues both nationally and internationally. I look forward to many successes -- painstakingly agonized over -- but nevertheless real successes, that will allow mankind not just to survive at a subsistence level but to live in its human settlements in good health, self respect and in dignity.

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Jean-Robert Gauthier, MP

Parliamentary Secretary

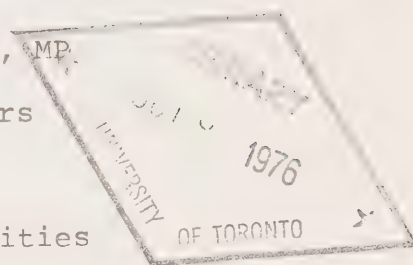
to Honourable Barney Danson, PC, MP

Minister of State for Urban Affairs

to the

Association of Ontario Housing Authorities

September 21, 1976





Thank you for giving me this opportunity to address your Housing Authority Conference.

I am pleased that there has always been a close and rewarding association between yourselves and the Federal Government, through CMHC.

Yours is a demanding and arduous task, and I am well aware of the magnificent way in which the Housing Authorities of this province have handled their responsibilities. You have given much of your time and much of yourselves to this undertaking.

On behalf of the Federal Government, I wish to take this opportunity to offer our appreciation for your dedication to this important work, and I ask you to accept our warmest gratitude.

We have become increasingly concerned with the problems of housing, and in particular with the problem of providing decent housing for low-income groups in a period of high prices and short supply.

The Federal Government is dedicated to making good housing available to all Canadians, at every income level and in all parts of the country. That objective obviously cannot be reached overnight, but we are working towards it with realistic programs designed to overcome the difficulties



in an orderly and systematic way.

All of us are acutely aware of the many problems affecting housing in Canada. The high purchase price of houses, the high mortgage interest rates and a shortage of rental accommodation are a few of the factors that have created a severe housing problem in some areas.

One over-riding concern of the Federal Government is that good housing that meets the real needs of people and of communities should not be available only to people of affluence. In a country governed under the principles of democracy, a strong sense of social responsibility towards those who cannot successfully hold their own in a competitive society must be a major concern of the state.

Much of the thrust of current federal policy is to make good housing accessible to lower-income families and individuals. That principle will endure.

We do not believe that everyone in Canada is entitled, as a matter of right, to be provided with a house of his own by the Government.

We do believe, however, in equality of opportunity, and that all Canadians should have equal access to a variety of options for solving their individual housing problems.

Through programs administered by CMHC, the Government is assisting people in the lower and middle income brackets to find good quality houses at affordable prices.

During the early post-war years, CMHC was established by the Federal Government to help bring normality to a housing market that, because of war-time pressures, had become inadequate to meet the needs of Canadians. There is no doubt whatever that CMHC played a singularly important part in stimulating housing supply to meet tremendous and ever-increasing requirements.

It caused houses to be built, and that was its first and is its continuing priority. But now the government has given CMHC a larger role in a new stage-setting. Its policies today are based solidly on the realization that people live, not just in houses, but in communities where there are special needs, new expectations and a wealth of individual aspirations.

You have, I am sure, heard of the Federal Housing Action Program, which has been in place for more than eight months now. The program is directed towards a variety of needs, not just housing for those in the most desperate circumstances, but one of its most important features is that it does make more funds available for housing programs designed to meet the needs of the elderly, the poor and other disadvantaged Canadians.

Together with the provinces and the municipalities, we are providing housing where it is most needed. We are doing this in a variety of ways. We provide the kind of housing with which you are most familiar, with subsidized rents geared

to family income. We are also supporting on a large scale co-operative housing with low-cost loans and grants. We are working with non-profit organizations, again with grants and low-interest loans, to provide more and better housing.

The Government, through CMHC, is going ahead on a number of other fronts in its continuing efforts to ensure that Canadians are decently housed in a satisfactory environment. Support for the public assembly of land, assistance for sewage treatment facilities, support for local people helping themselves by creating low-rental housing and co-operatives, the Program of Rural and Native People's Housing -- these are just a few of the current programs in which further action is being generated.

Most Canadians, if they need help with their housing problems, require limited, short-term support to acquire suitable accommodation. The programs I have mentioned provide this sort of help.

I think we can all agree, however, that there will always be families and individuals who, through personal or economic misfortune, are unable to obtain decent shelter without substantial public assistance, sometimes for a temporary period, but often permanently.

These are, of course, the people you are most directly concerned with, the tenants of public housing projects. Many of them, we hope, will require less and less public support until eventually they are able to cope for themselves.

There are a number of serious problems that hamper the operations of the useful and very worthwhile public housing programs. One of these problems, unfortunately, is the undeserved social stigma some people attach to public housing tenants.

There are those who would prefer to have these families isolated into ghetto-like communes, as if they were a separate part of society rather than an integral part of every community.

Many elements within society, including some municipal councillors and organized community groups, actively resist the introduction of public housing into existing residential areas, and this has had a deterrent effect on public housing plans in some communities.

The majority of communities, however, properly recognize that they have a responsibility to accommodate public housing and willingly co-operate in providing it.

It is essential that citizens' groups recognize the serious housing problems facing some low and moderate income families everywhere, and realize that they have at least a moral responsibility to co-operate in finding solutions.

I am particularly concerned about any tendency towards the "ghetto-ization" of public housing tenants. I feel very strongly that they should be integrated into the community without any social stigma whatever.



In providing public housing assistance, we must recognize that everyone has the right to the preservation of his essential dignity as a human being.

If entire families are made to feel like second-class citizens because of economic deprivation, our social assistance structure is badly in need of repair.

Public housing will always be needed and it must be an integral part of established residential communities.

But beyond this important concern is the Federal Government's determination to continue to be innovative in providing solutions to the problems of housing and community planning across Canada.

All of us in government recognize that there is no national housing market in the strictest sense and there can be no all-embracing national urban and housing policy which serves the needs of everyone, everywhere. Housing and the environment in which it exists is always a local matter -- whatever action is required takes place in one locality, not across the nation.

I know you will agree that housing and community programs must have a very high degree of inter-governmental co-operation and co-ordination.

From one end of Canada to the other, provincial and in many cases municipal governments have established sensible and far-reaching plans for housing and community

planning. Such plans have been and must continue to be developed according to the requirements of local citizens and the particular problems of individual areas. There is no substitute for local insights about people's needs in determining how best to allocate available resources.

Federal participation through CMHC is and will continue to be in accord with these provincial and municipal objectives and priorities so that the funds available can be spent most effectively. Federal involvement will largely depend on the immediate as well as long-range requirements of municipal and provincial governments.

We must recognize, however, that the Federal Government has a nation-wide responsibility that must be considered. The Federal Government is and must continue to be concerned about the housing needs of all Canadians in all parts of Canada.

There are, as all of you are aware, social and economic implications in housing that are truly national in scope.

The well-being of Canadians in every part of the country is as important as the well-being of the country itself, for the nation cannot have stability unless its citizens have security. Sensible and effective housing programs are an integral part of that security, and must be a national consideration.

The mechanism for the discussion of housing issues by all three levels of government already exists and is being used.

The trick is to ensure not only that meaningful discussion takes place, but that it leads to concrete, socially valuable action. I am pleased to say that recent tri-level discussions have demonstrated a unity of purpose and agreement in many significant areas. We have acknowledged that the provinces and the municipalities must have flexibility in the application of programs, but insist that in the allocation of public funds the Federal Government has an obligation to ensure that national standards are met and that all Canadians, wherever they live, have equal access to good housing.

These objectives can be achieved only by consultation and collaboration.

Conferences and consultations can, of course sometimes be simply academic exercises, but the majority provide one of the means through which we can successfully reach realistic housing goals. None of us can be effective without co-operation.

CMHC, in recognition of the need to be responsive to local needs and priorities, has undertaken a successful program of decentralizing authority and responsibility from Head Office to the field. By allowing a high degree of autonomy and decision-making at the local level, CMHC has

demonstrated its awareness that intimate knowledge of conditions and circumstances of individual communities is essential to the intelligent use of available resources.

We are aware, as you are, of the special problems associated with the management of public housing. People who require public housing assistance are vulnerable, and very often are burdened with social and personal problems, as well as economic ones. Their wants and needs require a certain sensitivity in handling, as your own experience tells you so well. You are frequently faced with problems of a social nature far more serious than simply the collection of rent.

You know what these problems are, for you are right on the firing line. You can be, and should be, a sort of counselling service for the government. You are in an ideal position to tell us about the attitudes and the reactions of the people who are our first concern, the low-income families requiring public housing assistance.

I feel we should look to you not only for the efficient management you consistently provide, but for suggestions for the improvement of the public housing program.

I urge you to remember that public housing tenants should always have a voice in decisions which affect their lives. They must be heard, because it is their social well-being that is our prime consideration.

The problems of public housing have proliferated



in recent years, and will probably continue to do so, largely because of the growing spread between income and housing costs.

We look to you to assist us in ensuring that the provision of public housing represents the most modern, innovative and effective approach that public-spirited people can devise for those who are less fortunate and deserve our enlightened help.

I would just like to say here that at the Federal level we totally endorse the procedural changes announced by Ontario's Housing Minister, the Honorable John Rhodes.

The growing number of public housing units coming under your jurisdiction has indeed added greatly to your responsibilities, and it is certainly good common sense to give you the authority to call public tenders and award individual contracts up to \$100,000.

We also reviewed, in consultation with CMHC, the steps necessary to make appointments to local Housing Authorities. We should be able to meet the limit of 60 days for making nominations to Authorities, and we have reminded those responsible for providing the names of nominees to consult with the Chairman of the local Authority.

Someone once said that the only constant thing in life is change. It follows that institutions that fail to accommodate change with new ideas and fresh approaches will inevitably become obsolete.

I am convinced that, working together, we can bring about changes -- in our policies and our institutions -- which will give all Canadians access to the housing and the social environment that citizens of a wealthy and democratic country have the right to expect.



# Remarks by the Honourable Barney Danson

Minister of State  
for Urban Affairs

# Discours de l'honorable Barney Danson

ministre d'État  
chargé des  
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Government  
Publications

ANTI-INFLATION AND BILINGUALISM

SUDBURY REAL ESTATE BOARD

Sudbury

September 22, 1976



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Parliament recessed in early July after its longest single session in history. Not only was it long, it was also a tough and trying session that dealt with some of the many serious issues Canadian society has yet had to face.

Our economy was key among the discussions and debates throughout the session -- in particular wage and price controls and the anti-inflation guidelines. Other major issues dealt with were capital punishment, peace and security and bilingualism.

In my own sphere as Minister of Urban Affairs I undertook a series of major changes to the National Housing Act and to Federal Housing Policies and programs designed to provide good affordable housing for moderate and middle income Canadians; and to provide incentives to industry and to municipalities to encourage a greater rate of construction of such housing and infrastructure. In addition to that I have had a very busy year both in Canada and abroad in preparing for and subsequently acting as Chairman of Habitat -- the UN Conference on Human Settlements. Canada was the host country for Habitat and Vancouver, the host city.

These things, in conjunction with my responsibilities as Minister responsible to parliament for the National

Capital Commission and for the Ministry of State for Urban Affairs for which we have been effecting major reorganizational changes, have tended to occupy the greatest portion of my time so far.

I want to deal with two issues that concern us all very much as Canadians because I believe the manner in which we approach them or choose to react to them will determine the future of our country in the months and years ahead. While on the surface, the issues of bilingualism and our economy may seem to be poles apart, because of Canada's unique confederation, they are inextricably linked in that both are directly related to the quality of our survival as a nation.

I will try to talk about these subjects in human, rather than in technical terms, partly because I am not a technician and partly because I feel both are opportunities that we have tended to turn into problems. It seems to me to be an almost innate human frailty that whenever a society is confronted with a problem or series of problems of major proportion, the initial reaction at least is to find someone to blame. Labor blames business and government -- business blames government and labor -- government is on the lookout for culprits in all sectors of society, particularly other levels of government. Meanwhile the Canadian citizen, particularly the unprotected and unorganized, stands in the

midst of all this and watches the crossfire whizzing by in all directions and wonders just what is going on.

I would like to spend the next few minutes with you discussing our economy and particularly the anti-inflation program in which we are now deeply involved.

A year ago we were in a recession. Most other countries in the world, including the U.S., were in even worse shape but still, our economy was showing no real growth -- the inflation rate was over 10% and unemployment was running at 8%, even though more Canadians are employed than ever before.

We had and continue to have a growing number of people looking for jobs and thus we require a growing and competitive economy.

We are now coming out of that recession and expect our total economy to grow by some 5%, even after allowing for inflation.

This is not as good as we would like to see or is necessary to create the new jobs that are required.

Because we are so dependant on international trade we must keep inflation down and productivity up to be competitive. Wage and price controls have not worked miracles, we didn't expect them to. But there are real indications that they are working. Inflation rates are down and should slow to the 8% rate we targeted for this



year. Next year we are aiming for 6% and 4% the year after. Wages in most cases have kept ahead of inflation and most Canadians are still better off. This doesn't mean it has been easy. Some people have wanted to catch up or pass others in income and there have been a number of strikes in the process.....too many to my liking. We are, however, making real progress. But this is not the time to let up. We still have a long way to go and there are still areas, like housing, where prices are too high.

This means a continuing period of restraint by each of us personally as well as our companies, organizations, unions and certainly governments at all levels. As I said before, it's easy to blame others. But we have shown in the past year that we can take a very difficult and dangerous situation and turn it around. If we can maintain this progress and hopefully improve upon it, we will have a strong economy, sufficient jobs and be competitive in the world trade upon which so many of our jobs depend both directly and indirectly.

What we have to realize, of course, is the more time we spend in the "great Canadian culprit hunt", the more valuable time we lose in solving the problem.

During its lifespan, the Anti-Inflation Board will continue to operate to the extent that it is possible for it to do so, as a fast-moving and flexible organization.

The necessity to work quickly is recognized as an essential characteristic. The restoration of confidence -- the removal of uncertainty -- is the objective. And uncertainty cannot be banished if decisions are left hanging. The setting of these guidelines is only one part of our fight against inflation. Fiscal and monetary policy will be shaped to ensure that economic growth and the progressive slowing of inflation are kept in phase.

We will sustain our efforts to curb federal spending, hold down public service employment and reduce the federal payroll in most departments.

The imposition of restraint is a temporary intervention: the Anti-Inflation Board is not intended to be a permanent feature of Canadian life. It is not in the interest of Canadians that it should be.

A lingering presence of this kind would be an admission that we had assigned the responsibility for restraint to government. Government in a free society should not, and cannot be expected to do this job alone. What the anti-inflation measures will provide is, we hope, a breathing spell, a change of course away from certain disaster -- a rebuilding of the basis for confidence -- the recreation of a climate for a rewarding and productive society.

These measures are not without problems. Not

without inequities or perceived inequities. If we had believed it would all be easy we would have started long ago, but the public was not, in our view, ready to accept the constraints and we were not anxious to impose them recognizing full well the problems and inequities. We are confident that they were not only ready, but anxious to move when we did -- in spite of a vocal few who don't even represent the spirit of those they purport to speak for.

The future is not gloomy. It's not easy either. But with the wealth and resources of this great nation, an educated, skilled and sophisticated work force, competent management and the will to get on with the job, we would have to be awfully short-sighted not to pull through better than just about any nation in the world.

Just as we have to face up to and deal squarely with our economic problems, so does a country like Canada have to face up to its social and cultural problems. It is just not possible to solve one and hope or believe the other will go away. It won't.

As I have said earlier in my remarks and repeatedly on many other occasions, I sometimes feel as though we Canadians have an almost uncanny knack for turning our unique opportunities into problems.

If any country has benefitted by the diversity of its people it must be Canada. Canadians, too, are travelling

abroad in increasing numbers and seeing that in even so-called underdeveloped nations, it is common to find most people with educational qualifications similar to ours speaking at least two languages. That's not the intent of the bilingualism policy in Canada but it should make the policy appealing, especially when our children will be living in a world where international travel will be commonplace. They won't be able to speak every language but a second one opens the door to communication and enjoyment that is a very real plus.

Bilingualism as a national policy -- supported by all political parties -- falls far short of that. It is intended to provide government services to those of the two major language groups which founded this country. Historically it has never been much of a problem for those of us who only speak English but it certainly has for the close to one third of all Canadians whose mother tongue is French. Some say that this was all settled at the Battle of the Plains of Abraham. That fight just determined whose colony we would be -- not what we would be.

Even that was not such a great problem when people stuck close to their homes; when Quebec was tied closely to a paternalistic church structure and dominated by frequently oppressive political regimes. We criticized them for that and now when they, like ourselves, have opted for -- or in Quebec's case fought for -- a more open system, some are



incensed when they simply want to be able to live full lives in their own culture and language. They, like we, want opportunity to be part of their own country, to feel identification with their government, to be respected for what they are. They also want to drive cars, snowmobiles (which they invented) and even fly airplanes.

Bilingualism is not intended to make everyone bilingual, not even pilots or air controllers. It simply means that where there is a significant number of people whose mother tongue is either English or French, that they can communicate with their own government in their own language.

Perhaps I have a special interest because as a unilingual anglophone I work with hundreds of francophones who are as deeply attached to this country of ours as are any of us. In almost all cases their roots in Canada are longer and deeper -- though that in itself doesn't make one a better or lesser Canadian. I can manage just speaking English. I can even become a Cabinet Minister. If I spoke only French, that would be impossible. When I was a young soldier I was sent to Ottawa on a weapons training course. I developed a special attachment and pride in our capital and our government. I wonder how I would have felt if, in visiting the Parliament Buildings and other government institutions, most people couldn't speak my language. If

I was treated by exception, or with mere tolerance or frequently with contempt, I would hardly have felt much attachment and certainly not at home. I also fought overseas with a brigade that was just about half French speaking -- my own regiment from Toronto, one from Quebec and another from New Brunswick which was about half francophone. Somehow they managed to work with English Language Training Manuals and fought with as much courage and distinction as anyone.

The point I'm trying to make -- and what the bilingual policy is all about -- is that if we want this country to remain united, we have to work at it. We have to put up with what some consider inconvenience to make up for an almost impossible situation for the close to a third of our people who were guaranteed rights 109 years ago that are now beginning to be provided for the first time. If they are not provided in some reasonable measure -- and French speaking Canadians cannot participate in the government of their country as equals -- and the numbers are tragically far from equal at this time -- then no one can blame them if they feel they are not wanted or respected. We would all be losers. Pretty stupid too when we could all be winners.

That's why it is disheartening when a straightforward matter like providing service in both languages in

Quebec airports, and ultimately the Ottawa-Hull airport, blows up into a national crisis. When my colleagues in Ottawa from Quebec who are fighting separatists and fighting for a united Canada are shocked to see an almost hysterical outcry from many parts of Canada. And this at least two years before it could be implemented and then only if an inquiry proves it does not impair safety -- when actually it is proposed so that safety standards are increased. It does little to enhance national unity when even airline pilots -- none of whom except the francophones are required to be bilingual -- don't even consider their French speaking union brothers.

It is equally saddening, if not frightening to contemplate that a special interest group, in flexing its muscles could develop the capacity to literally divide Canadians and the Canadian purpose to literally rip this country apart -- this country we all love so deeply.

Frankly I'm encouraged by what I believe is the majority in my own constituency and many other English-speaking constituencies who understand and support this policy.

We have made our share of mistakes along the way in trying to implement the policy. There is no question about that. We are human beings, and thus we sometimes find ourselves having to correct our errors.

What most people realize is that it is going to take time and we must start by doing that which is possible, with sensitivity and respect. Where the policy is inadequate it must be reinforced. Where methods are wrong or not working they must be changed. What can't be changed is the commitment to make it work as best we can.

Where I am discouraged is with our educational system that has dropped French as a prerequisite for university education. I have yet to meet a family who does not want their children to learn French in school.

We don't really achieve our objective of a truly united Canada until both French and English are taught in all schools in Canada and starting at the elementary levels. It is then when it's easy, natural and fun. In the meantime we have to do our best.

I can assure you that the Federal Government will continue to do its best to make both our Bilingualism Program and our Anti-Inflation Program work for Canadians.

In spite of the problems and negative reactions from time to time, we have had successes, positive indications that progress is being made.

The collective Canadian will is what will ensure a sound and healthy future for us and for our children in the years ahead. We must have the courage to exercise that will and not be diverted. Our nation is too rich. Its



potential, by remaining united from coast to coast, is too great to allow understandable differences to subvert our future.

# Remarks by the Honourable Barney Danson

Minister of State  
for Urban Affairs

# Discours de l'honorable Barney Danson

ministre d'État  
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HOUSING

SUDBURY REAL ESTATE BOARD

Sudbury,

September 22, 1976



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I am well aware that there are serious housing problems in Sudbury. Although a shortage of housing for both ownership and rental is certainly not confined to this area, the situation is more severe here than in many other Canadian communities.

The 298 housing starts during the first six months of this year was a gain of about 20 per cent over the same period last year, but certainly not nearly enough to satisfy the growing demand. These starts represented only 50-odd rental units, which did not significantly alter the vacancy rate of less than one per cent.

I wish I could suggest an easy solution, one that would produce all the desired housing overnight, but of course there is no easy or immediate remedy.

I am wondering, though, if better use could be made here of both the Assisted Home Ownership Program and the Assisted Rental Program, both of which have proved useful in relieving the housing shortage in many other areas with similar problems.

I know there are objections that the maximum price established for AHOP housing is too low, and these levels are



constantly under review to make sure they are realistic. But the problem may not be a question of price limits. It may be that people's expectations, in today's market, are somewhat unrealistic.

Here, as elsewhere in Canada, the answer is good, affordable medium-density housing that makes the most efficient, economical use of available land.

I have often heard the complaint from professionals in the field that good housing just cannot be built within the limits of AHOP, or even within the larger limits for insured lending under the NHA. But many of these same builders have then gone out and built moderately-priced, good quality housing that did fall within the price limits, and were able to sell it in a competitive market place.

Many builders throughout Canada are finding out that people do not insist on single, detached dwellings, or the finished rec room, the stone fireplace, the private little patio or the many other non-essential items that help to push the cost of houses so high.

Many builders are finding, on the contrary, that people simply want good, sound, attractive houses at a price they can afford, and will cheerfully forgo the luxury features.

The need for medium-density housing here was emphasized in the recent Official Plan for the Regional Municipality of Sudbury. The planners point out, and I will quote

directly: "Increasing costs of land, construction and financing have meant that fewer people have been able to afford the traditional single-detached dwelling and, in future, may have to alter their housing expectations to better match what they can afford."

Good housing at affordable prices can be built here, as it is elsewhere in Canada, without sacrificing quality. It is important to remember that people of low and moderate income can afford to buy housing that qualifies for AHOP assistance.

This holds true of rental housing as well. Rental Accommodation, such as apartment buildings, can be produced with ARP assistance at a cost that will allow reasonable rents and a reasonable return on the investment. Again some of the frills and luxuries must be avoided, but experience so far shows that tenants are well satisfied to obtain decent accommodation at a rent they can afford.

Both AHOP and ARP have helped to alleviate serious housing shortages in other Canadian communities. I am confident they could have the same result here.

I am pleased that Sudbury is prepared to make good use of the funds we make available through both the Neighbourhood Improvement and the Residential Rehabilitation Assistance Program -- in fact, I understand that the initial response has been enthusiastic enough to take up the available funds rather earlier than expected.

This is an encouraging sign. Building new houses is important, of course, but it is equally important to prevent the older parts of the city from decaying beyond repair. Judicious use of both NIP and RRAP can do a great deal to invigorate the core of cities, with rewards that are both aesthetic and economic.

# Remarks by the Honourable Barney Danson

Minister of State  
for Urban Affairs

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THE SECOND ECONOMIC COMMITTEE OF THE

XXXI SESSION OF THE UNITED NATIONS

GENERAL ASSEMBLY

NEW YORK

OCTOBER 25, 1976

"HABITAT"

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Mr. President, Distinguished delegates,

It was a privilege for me as Canada's Minister of State for Urban Affairs to have served as President of the Habitat Conference in Vancouver. I am pleased to be here to participate in the work of this committee. Before I begin the substance of my remarks, however, I would like to pay tribute to Senor Enrique Penalosa and his colleagues, who have been the major support and guiding spirits of Habitat. Their devotion to the improvement of the human condition is well known by those in this chamber. Senor Penalosa's return to his own country marks the end of a distinct and distinguished period in the social development of our world community.

I should also like to express my personal regrets to the family and friends of Duccio Turin who died tragically in an auto accident last July. On behalf of the Canadian Government and the people of Canada I extend our profound sympathy.

Distinguished delegates, before you now rest the resolutions passed by the Habitat-UN Conference on Human Settlements - important resolutions - that commit to paper principles dealing with human settlements. The fact that these resolutions were worked out in my country - Canada - is a source of pride to me and to all Canadians. As you know, we are a country in change. We are a young country in terms of rapid urban growth and are currently struggling to digest the social and economic upheaval that is partner and mate to urbanization.

At the same time we are an ancient land, drawing our roots from native civilizations that settled and prospered in the dim memory of time. Because of the disparity and diversity of races and cultures within the vastness of Canada, the inaccessibility of northern reaches and the adversity of climate, we are often brothers with the third world nations in terms of human settlements.

Habitat has been a stimulating experience for Canadians - stimulating because many of the problems discussed affect us in the broadest sense.

We are, after all, not only producers of technology affecting human settlements but also both beneficiary and victim. Where once the word ecology was known only by academics and where, in times past, the social implications of our common tenancy of this world were of little concern to the vast majority

of its people, we are now awakening to our shared responsibility.

But recognizing a moral obligation and letting our actions be guided by that obligation are elements as different as oil and water. It is my hope that the path identified by Habitat will be followed, that we take those first steps that mark the beginning of this long journey and that we will not falter nor be deterred.

Habitat, because of its focus, has become a crucial element in terms of human settlements and when I speak of human settlements I mean that in the broadest sense.

The fact that the nations of the world should agree to turn their collective attention to the conditions of human settlements is a watershed in the history of our life on this earth. It is my belief that shelter is a collective responsibility: collective in terms of the relationships between government and man, government and government and man and man. No single partner bears the full weight. Each has his own share of responsibility.

As I see it - as I define the delicate partnership between government and the individual - governments, both singly and collectively, must strive to provide the elements that promote adequate shelter. It is our job to create the elements of tenure for the individual - and those elements will differ from nation to nation, from place to place. In some nations this will mean the simple basics of human settlement; first water, a cornerstone of life in any community, and then an adequate system for the disposal of wastes. As simple as those two goals may seem to some individuals and, even to some governments, they are of critical importance to many of us.

It is difficult for citizens of industrialized nations to envision settlements without water supply or sewage disposal systems. It is a thought as foreign to them as the experience of true poverty. If Habitat achieved any single function, I believe that it served to enlighten the world about the true condition of human settlement on this planet.

Habitat was a catalyst for discussion and decision-making on both an international and national level. It followed in the best traditions of this body and dealt with an area of basic concern to every member of this United Nations. Now, however, we are faced with the problem of how best to implement and utilize the benefits of Habitat. It is my earnest wish that the advances we have made should not be left to wither on the vines of indifference.

The nations of the world must individually and collectively develop effective programs to improve the human condition. Like the members of a far flung family we must rally in mutual support, lending each other both the benefits of our individual experiences and the strength that always accompanies the recognition of bonds of the heart.

We can look with satisfaction on the quick response of the regional economic commissions of Europe and Latin America, which have already convened meetings to discuss Habitat follow-up action and have advanced proposals for regional cooperation on human settlement problems. We look forward to similar meetings in the other regions and to other world conferences which will deal with issues raised at Habitat.

The UN World Water Conference to be held in Argentina in March is a prime example. As you know, it will give effective consideration to the problems of potable water. If it can develop an international program ensuring drinkable water in all communities of the world by 1990, it will be an important step in achieving this objective established by governments at Habitat.

There can be no greater goal for mankind than improving the condition of his fellow man and there can be no greater achievement for man than having made a contribution to mankind.

But how best to implement the lessons learned at Habitat?

Shortly, a proposed general resolution on the report of the Habitat Conference will be tabled in this committee. We very much hope that this general resolution will be adopted by member states in the spirit of consensus which we believe is appropriate to a text concerned with human problems of the dimension of those discussed at Habitat. This general resolution has been drafted with such a consensus in mind.

A draft resolution on post-Habitat use of audio-visual material will also be tabled later. As you know, the audio-visual program was a unique and important part of the preparations and proceedings of the Conference. We are indebted to the UN Environment Program for the support it gave to the audio-visual program and indeed for its support for and contribution to the Conference as a whole. At the Conference, all countries agreed that the extensive audio-visual material represented an invaluable resource for education, training and public information



on human settlements, and that steps should be taken to ensure their continued and active use after the Conference. The resolution to be tabled will propose the establishment of a UN audio-visual information centre to serve these purposes.

On the institutional question, as has been the case for previous conferences, the institutional follow-up to Habitat should reasonably be the subject of a separate resolution. There was detailed and thorough discussion at Vancouver on the question of global and regional mechanisms and institutions for human settlements. These discussions yielded a draft resolution which provides in our view an excellent framework for a decision at this session of the General Assembly on the two remaining questions in Section X of the draft, the questions of institutional link and location of the unit. It is important that a decision be taken on these two questions at this session.

The momentum of Habitat must be maintained. It should not be allowed to slow. This resolution provides a way for the UN to respond to these human problems. A decision is also needed to demonstrate to those living in human settlements around the world that we are able and willing to respond quickly and effectively to their needs and concerns. Too often in the past, we have been accused as nations of failing to unite and to respond effectively to urgent needs. In the view of my Government, there is a need now for a strong and representative intergovernmental committee at the global level, served by a small but effective secretariat, and improved intergovernmental and secretariate arrangements at the regional level.

During this session we must demonstrate to those millions of men, women and children whose lives will be dramatically affected by this resolution that we, as a world community, are both able and willing, to respond to their needs, their concerns, their pleas for help. There is nothing lonelier, there is nothing to fire bitterness more or to encourage withdrawal from the common community of man than an ignored call for help. On behalf of those who make this call, I urge you, to act on this resolution and its spirit.

In conclusion, I can only stress once again the importance of the work initiated at Habitat. Human settlements contain not only the problems of the world, often reflected through the magnifying effects of concentrated population, but also the solutions to these problems.

Like a doctor seeking out the causes of disease we must continue to identify the symptoms of human settlement problems in the hope of finding a way to deal with the true cause of our collective maladies. Along the way we will attempt to treat those symptoms, providing temporary relief, but we must never lose sight of our original goal - to cure the illness. The world that we inherited - our sometimes shabby patrimony - is not entirely of our making. It is, however, within our power to change it and change it for the better as a magnificent inheritance for our children and our children's children.

What gift could be greater than an improvement in the condition of their life? Expressions of concern can be acceptable but action, based on that concern, is the only truly admirable course.

We can no longer pretend to be isolated by the islands of self concern. We are a part of every man and every man is truly a part of the main.

Thank you, Mr. President.



Speech for Mr. Jean-Robert Gauthier, M.P.

Parliamentary Secretary to

Minister of State for Urban Affairs

to

Seneca College Real Estate Conference

November 23, 1976





I am very pleased to have this opportunity to take part in this conference, particularly because it is directed to the concerns of today's real estate market. The Federal Government, through Central Mortgage and Housing Corporation, has a substantial role in housing and land development, and one of our continuing objectives is to help maintain a healthy and stable housing market.

As an indication of our involvement, this year well over a third of all the housing starts in Canada will have been financed with mortgages insured under the National Housing Act. This proportion is expected to be closer to one-half of all starts next year. Of the total starts this year -- estimated to be about 250,000 -- some 52 per cent will have been affected by CMHC in one way or another.

As you can appreciate, we have a lively interest in every aspect of the real estate market, from land sales to apartment building construction, because one of the important roles of government at the federal level is to help shape housing production and distribution to meet the real needs of Canadians.

Since the inception of CMHC after World War II, housing in Canada has thrived through a unique blending of public and private enterprise, and we are continually exploring ways of

improving our co-operation and making our joint efforts more successful. There is ample evidence that we can achieve realistic housing objectives without unduly distorting the free play of the market, and without diminishing the drive for productivity and individual fulfillment.

As you can appreciate, the Federal Government has a responsibility to see that Canadians in all parts of the country have an equal opportunity to share in our national resources. The Federal Government has, since the country was founded, intervened in the market place when necessary or desirable for the general good of the nation.

This intervention has, in fact, generally been recognized as a useful and welcome contribution to the housing industry. For example, the introduction of mortgage insurance and, later, the five-year "roll-over" mortgages were clearly seen as important stimulants to the supply of capital for home-building.

Sometimes, when the market system is temporarily out of kilter, we are obliged to intervene more directly to make sure that production is closely geared to the social needs of the country and the health of the housing industry.

We are making this intervention now because of the pressing need for more housing production in the middle and lower price ranges, both for purchase and rental.

A few years ago, when the market was anything but orderly, a number of federal policies and programs were introduced that contributed substantially to the production of more moderately-priced housing, both for ownership and rental, as well as subsidized housing for people of low income.

I won't take your time to describe these measures in detail, but I will say that they were effective in easing many of the problems. Last year, for example, CMHC set a target of 210,000 starts -- a figure which most experts and professionals in the field said was totally unrealistic. However, the stimulus at the federal level, coupled with complementary activities by the provinces, resulted in 231,000 starts, some 9,000 more than the previous year and a full 21,000 more than the target originally established.

These results indicated that we were heading in the right direction, and the federal initiatives at that time served as valuable guideposts to the most effective way we could continue to assist the housing market with a maximum of private activity and the least possible government intervention.

The result was the Federal Housing Action Program, which was introduced towards the end of last year. This housing package is designed to help achieve a million new



housing starts over this and the following three years. That figure of one million units was not chosen just because it was a nice, round number. On the contrary, one million new housing units represents the minimum number that will be required in order to provide an adequate supply of housing on a national scale by the year 1980. It was based on expected population growth, family formations, deterioration of existing supply, and a number of other factors that determine real housing needs.

I am pleased to say that the initiatives under this Federal Housing Action Program are working well. The target for this year was 235,000 starts, and that objective, according to the most recent forecasts, will be exceeded by at least 15,000 units.

I would like to emphasize that the initiatives within the over-all housing action program draw substantially on private capital rather than public funds, and they encourage production of houses in the moderate price range -- housing that people can afford to buy or rent.

This policy is characterized in both the very successful Assisted Home Ownership and Assisted Rental Programs. The two programs originally required direct loans by CMHC. Early in 1975, they were restructured so that federal interest-reducing grants could be used along with private mortgage financing.

Both programs were extremely successful. In fact, private investment in housing through the AHOP and ARP programs in 1975 amounted to some \$850 million.

This year, AHOP was modified to take better advantage of private capital. Interest-reducing grants were, of course, continued for families with children who qualified for help. But, in addition, couples who were buying modestly-priced homes financed by private lenders could receive repayable loans which, in effect, lowered the interest rate to a more easily managed eight per cent to help them over the first few difficult years of ownership.

Under the revised AHOP and the continued ARP this year, private investment will amount to almost a billion and a half dollars. Our estimate for 1977 is that private investment through these two programs will be more than \$1.8 billion. This totals more than four billion dollars of private capital invested in housing through AHOP and ARP from their inception to the end of next year.

That is a substantial investment, which I believe accurately reflects our confidence in the effectiveness of the private marketplace.

While we were encouraging and stimulating this flow of private capital, we were restricting our own role as lenders under the same programs. CMHC became the lender-of-

last-resort for AHOP and ARP borrowers. We made direct loans only in those circumstances where funds were not available from private lenders.

In 1975, CMHC made almost 700 million dollars worth of direct loans under AHOP and ARP. In 1976, under our revised policy of encouraging private investment and restricting our own role as lenders, we invested only 157 million dollars in direct AHOP and ARP loans -- a reduction of more than 77 per cent in our own activity.

In this way, the housing package satisfies the real needs and reasonable expectations of our society, while harnessing the resources and expertise of private lenders, rather than replacing these valuable assets with tax dollars and an enlarged bureaucracy.

In Ottawa, we know that neither the Federal Government nor any of its agencies can actually create the housing that people need and can afford. The vast bulk of housing in Canada is built year by year by private enterprise -- and I imagine that will always be so.

That fact is essential to CMHC's corporate policy. The Canadian system depends upon a free, stable and competitive marketplace for housing, and CMHC has a firm commitment to support those conditions.

We recognize the government's responsibility to assist those Canadians who -- for one reason or another -- need some help, often of a temporary nature, in order to find the kind of housing they need. For people who cannot afford to help themselves -- the elderly, the poor, the sick and others who cannot successfully hold their own in a competitive society -- the Government must provide housing, on whatever terms they can afford.

We recognize our responsibility to intervene on behalf of people in these circumstances, but we hope and expect that -- as long as the private marketplace is operating as it should -- most Canadians will be able to pay their own way without government contributions.

We all have our part to play in achieving our national objectives and, over the years, we and all segments of the housing industry have worked very well together. In fact, as you very well know, we have consistently exceeded the goals which the Economic Council and others have calculated for us. I would go so far as to say that we have solved the housing production problem in this country, in terms of the total number of housing units we produce each year.

But I will also suggest to you that our objectives can't be that simple. It's not just a matter of producing enough housing every year. If we are going to really meet people's valid expectations, we have got to produce enough housing of a kind and at a cost that people can afford.



I believe that one of the government's important roles in the housing scene is to help shape housing production and distribution to people's needs. That has been one of our important priorities during the past year. We have tried -- and I think, with considerable success -- to shift production away from the high end of the market towards the low and medium price ranges.

At the federal level we have been preaching that message for more than a year. We predicted the buyers' market and warned that the people who would be doing business would be those who sharpened their pencils and began producing for the moderately-priced market. We told anybody who would listen that federal assistance would be focussed on good, modest housing for ordinary people. That is where the AHOP and the ARP activity is taking place.

Some people who disagreed with that assessment of the market trend, are sitting with an inventory of large single-family houses that are difficult to move.

There are a number of factors that have influenced the growing demand towards new houses selling at moderate prices. For one thing, the anti-inflation program has effectively dampened the mood of rising expectations that prevailed in recent years. A lot of people who may otherwise have been in the market for a more elaborate house, have lowered their sights and are looking for something more modest and practical.

Another consideration is that the levels of house prices two years ago impeded the normal filtration process, whereby the owner of an existing home sold to a first-time house buyer while he moved on to a new home. When sales of existing homes began to soften, the demand for affordable homes strengthened. These could only come from new stock, and as a result the first-time home buyer became the primary market for newly built homes. This trend was, of course, assisted by the AHOP program.

We cannot overlook the post-war "baby boom" either. In the 60's the "baby boom" children were leaving home and either forming non-family households or entering into the early years of marriage. For the most part, these young people rented accommodation, which created a growing tightness in the rental market.

This sizeable segment of the population is now at the house-purchasing stage, looking for accommodation for young families. Their immediate need is for a modest home to build up some equity. Later, they intend to trade up to a larger house, but at this time they are in the market for new moderately-priced homes.

Energy costs are also a factor, since the increasing expense of heating makes new homes a more attractive investment than older badly insulated, single family houses.

The result of these and other factors has been a softness in the market for existing homes, which has produced greater stability in prices.

The soft market for existing homes is expected to continue, with perhaps minor improvement, through 1977. Prices will probably increase less than wages until a greater degree of affordability returns. After five or six years that can fairly be described as "hectic", the housing market is now cautious, but reasonably active, and will likely remain that way for some time yet.

The Federal Government, through CMHC, will continue to lend its weight in support of modest-cost homes and I have no doubt that, in 1977 as in 1976, they will represent a high proportion of our total production.

We are looking to a marginal decline in interest rates in 1977 and a slowing-down of house price increases. These trends, together with a controlled increase in wages, suggest that the average family will be somewhat more able to afford adequate housing next year.

Unlike some forecasters, who are predicting a continuing decline in starts throughout 1977, the CMHC analysis suggests that we are going to have another good year, with no significant drop in production from 1976 levels.

The Federal Government has had a good relationship with all segments of the housing industry over the last 30 years or so. We have helped to build stability into a sector where uncertainty can so easily prevail. I believe our present initiatives -- based on our commitment to a million starts over a four-year period -- will allow the housing industry to plan, budget and compete in a market in which we are encouraging the demand essential to make it possible and profitable.

We will continue to work with every component of the housing industry to achieve good, affordable housing, good markets, achievable goals and the financing to make it all possible. It's a good arrangement, and the best part of it is that the Canadian people are the direct beneficiaries.





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February 7, 1977

Opening Address

34th Annual Convention

Housing and Urban Development Association of Canada

Vancouver, B.C.

February 7, 1977



I am indeed pleased to have this opportunity to speak to you today. This is my first meeting with HUDAC members as a group since my recent appointment to the Urban Affairs Ministry, although I have already had the pleasure of private conversations with some of your executive members.

I would like to assure all of you at the outset that I intend to continue the "open door" policy that has for many years characterized the relationship between your industry and the federal government. I know that we can and will work together, through Central Mortgage and Housing Corporation, in meeting the housing needs of Canadians.

I think it is important that recommendations, ideas, and even criticisms from HUDAC have always been discussed or debated with CMHC in a spirit of mutual trust and confidence, and I believe this type of co-operation has contributed significantly to sound housing programs and policies at the federal level.

We do, after all, share a community of interests. Our general objective is a healthy housing market that will meet the needs of Canadians from one coast to the other, and your business will thrive in direct proportion to our success in meeting this objective.



Federal policy-makers and administrators must be able to feel the pulse of the housing industry. We must know about, and be able to respond to, the real housing needs of the public, as well as the requirements of the housing industry in filling those needs. We can only do this through effective liaison with professionals such as yourselves, who are intimately involved with the market place.

We appreciate having your views presented to us in a reasonable and logical way. I believe strongly that the give-and-take between yourselves and ourselves might well stand as a model for effective relations between private industry and the federal government.

Just recently your executive drew my attention to the matter of tax regulations which prohibit the use of land holding costs as a deduction against other income. The position of private builders was presented very clearly, and I have since discussed the issue at length with my officials.

This matter is, of course, outside my direct jurisdiction, since my colleague, the Minister of Finance, is responsible for the provisions of the Income Tax Act, as you know. However, I am always prepared to make representations to my cabinet colleagues when I am convinced that a good argument for change can be made.

One point that immediately caught my attention was the effect that these tax regulations may be having on the supply of rental housing. Certainly, it does seem discriminatory that rental property developers are prevented from using as a deduction the capitalized amounts of their holding costs, while other developers can charge these costs when they sell their land holdings. I can appreciate that this tax provision could have a detrimental effect on the supply of land for rental building purposes, and it deserves serious consideration if only because of the current shortage of rental accommodation in urban centres across Canada.

You have my assurance that I will shortly be discussing with the Minister of Finance this and the other arguments raised with regard to withdrawal of Section 18(2) of the Income Tax Act.

For the last few years, we have been giving the building industry and associated groups, such as lenders, a straightforward and consistent message: that the market for new housing will more and more shift from large and expensive houses towards the low and medium-price ranges. We continually have emphasized that this is the area where federal support would be directed, and that builders would be well advised to sharpen their pencils when planning production.

I believe that the 1976 experience shows beyond question that our encouragement of moderately-priced housing was right on the mark.

You already know that housing starts in 1976 reached a record level of more than 270,000 units. We cannot, of course, claim that this was due simply to federal programs. There were many factors involved in attaining this high level of production, not least of which was the initiative of builders in meeting the demands of the market place.

A study of the statistical breakdown, however, reveals that federal programs did contribute significantly to a highly successful building year.

The figures show, for example, that more than 95,000 new housing units, both for ownership and rental, qualified for NHA loans in 1976. That is 36 per cent more than the previous year, which seems to indicate a ready market for houses in the moderately-priced class.

More significantly, activity under both the Assisted Home Ownership and Assisted Rental programs increased last year, which helped to fill an urgent need in many urban centres for accommodation in the medium price range. We expect that next year, with the buyers' market prevailing, more AHOP units --

probably from 40 to 50,000, will be designated, while ARP activity will be directed more precisely to markets where there is the most pressing need for rental units.

I am pleased with these results. They indicate that federal housing policies and programs have been accepted by builders and the public, and that they are working. Equally important is the fact that we are on target with regard to our objective of one million housing starts during the four years ending at the close of 1979. This figure of one million starts was not picked at random, or because it sounded impressive, but simply because that is the minimum number of starts required to meet the housing demands of Canadians before 1980. This estimate is based on expected population growth, family formations, inevitable deterioration of existing supply, and a number of other factors that together determine real housing needs.

I don't intend to deal with a lot of statistics today, because figures are only part of the story. There are a number of other considerations that must concern all of us.

I would like, first of all, to emphasize that new housing must be affordable. People should be able to buy a home without becoming "house poor", without facing the dismal prospect of spending an unwarranted percentage of income for

years in order to pay for a new home. Even homes that come within the price limits of AHOP, in many instances, could not be afforded without the interest-reducing feature of that plan.

But, just as important as affordability, we must continue to be concerned about quality.

We are already aware, particularly from the experience of the last two years, that Canadians are, for the most part, willing to forgo unnecessary frills that add considerably to the cost of housing.

Although they are willing to do without these extras, they still look for quality in a home. They will not accept -- nor should they accept -- shoddy workmanship or poor design. They want an affordable home that will provide the living space they need, and they want a home that will stand the test of time.

Quality must be protected, and I am very pleased at the rapid development of provincial home warranty plans during the last year or so. I believe these plans should be encouraged and supported, because home buyers need this kind of protection when they are making what is probably the biggest investment of their lives.



As you know, home warranty plans are now in place in every province. Although their details vary, they generally provide a one-year warranty against defects due to non-compliance with provincial and federal building codes, as well as a five-year warranty against structural defects.

Although I wholeheartedly support the progressive idea of home warranties, I am concerned that they cover only new houses offered for sale, and do not include rental accommodation or housing occupied as a co-operative. In some provinces, even condominium houses are excluded from coverage.

I would like to see the warranty program widened in scope to provide protection for all new houses. We will be meeting with provincial officials before long to see how all housing built with NHA assistance could be brought within the warranty plans, so that we could extend the benefits of this important public service to a wider range of Canadians.

Quality, however, is not just a question of technical building standards, or lack of defects. The idea of quality includes everything that goes to make a home convenient, comfortable and appealing.

The trend today, as you know, is towards medium density housing. We are doing everything we can to encourage this trend and to make more efficient use of land.

Our Municipal Incentive Program, for example, encourages municipalities to open up new land for housing by providing \$1,000 for every new unit of medium density, moderately-priced housing produced. This program has proved popular, and has had the desired result of bringing serviced land on the market for quick starts.

The problem is to build medium density housing without sacrificing certain values of acceptable community and family life. We know that people want a sense of identity - they don't want to be simply an indefinable component of a faceless structure. They want an individual address, immediate access to the street, and outdoor space they can call their own. Even in a project that includes several households, they want to keep the most desirable features of the single-family home.

It is not easy, but it can and is being done. Some excellent examples of this kind of housing were recognized recently by the Canadian Housing Design Council. Last year, CMHC suggested to the Council that their annual awards should support and encourage high-quality affordable housing, and I am pleased that among the winning designs were many examples of moderately-priced housing built under various sections of the National Housing Act.

I know that it is not easy to design and build outstanding houses under economic restraints, but a number of these award winners demonstrated that it can be done. We were impressed with the imagination, the planning and the expertise that went into their creations, all of which were practical and attractive as well as affordable.

Many builders who are members of HUDAC have already shown through a variety of projects that good quality, well-designed homes can be built within the price limits of NHA programs, and I hope to see much more of such housing come on the market during this coming year. It will require imagination and initiative, but the Canadian building industry has demonstrated for years that it has a good stock of those commodities.

There are a variety of approaches to medium density housing, ranging from the zero lot-line concept for individual homes to town houses in clusters with individual court yards, and we are examining and evaluating all of them.

As most of you already know, CMHC programs of development and demonstration are directed towards these as well as many other concerns in the area of housing and

community design. These programs are not primarily experimental in nature. They join research and action to produce new concepts that people can see and emulate.

All projects must be realistic developments that can be used and are affordable by the people for which they were designed. I believe that results of this work will assist greatly in the further development of medium-density housing that people will not only accept, but enjoy.

There is one other thought that I would like to put in front of you. Although we tend to emphasize the need for new housing, which is obviously our first consideration, we cannot overlook the continuing importance of conserving present stock -- particularly in the older areas of our towns and cities.

Our Residential Rehabilitation Assistance Program -- better known as RRAP -- provides financial assistance for the repair and restoration of dwelling places in designated areas of urban centres. Last year the popularity of this program went far beyond our expectations. We had budgetted for sixty million dollars for RRAP -- four times the budget amount of the previous year -- and we still began to run out of money in September. More funds were channelled into the program to meet immediate requirements. For this year a total of \$107 million is available for RRAP, which should be enough to handle all requirements.



I am pleased at the enthusiasm shown for this program, because in cities and towns across Canada, there are many fine homes that can readily be preserved. By doing so, we not only retain needed housing stock, but help preserve the character and dignity of older areas in our cities and towns.

One problem we are facing is the shortage of firms that specialize in this type of work. In many cases, it is done by local handymen or the owners themselves, but there is nevertheless a growing demand for this kind of service. The field is growing, and will continue to grow, and I believe a market exists for renovation and repairs that can be met by many firms that may now be exclusively involved in the building of new homes.

I suggest that it's a point worth thinking about. In many areas, RRAP creates excellent opportunities for firms in the building industry to re-direct some of their resources into the rehabilitation of existing housing.

The housing industry in Canada has, over the years, shown itself to be innovative, productive and responsive to people's needs. I think our performance in 1976 indicates that we know how to produce housing in large numbers when it is needed.



I am going to offer you two challenges for 1977 -- and for the years ahead...

First, to produce more housing that can be afforded by people in moderate wage brackets -- housing that falls within AHOP limits and can therefore be purchased with interest-reducing loans if necessary.

And second, to maintain and if possible, enhance the high quality of homes that has always characterized the Canadian building industry. This may require innovation in technique, design, and perhaps even in materials, but it has been done by some member firms of this association. I urge others to explore the possibilities that are opening up.

These are the challenges facing you today. They exist not by choice, but because of the need for housing production in Canada that will meet the realities of today's market place, which can be summed up: good prices, and good quality. I urge you to make them your keystones.

After examining the federal government's intention with reference to the questions that particularly interested you, allow me to conclude this address by inviting you to reflect on a problem that concerns all of us: the future of Canadian federalism.

Personally, as a Canadian, as a Québécois, as Minister, I believe in Canadian unity; I believe in Canadian federalism.

I believe in the unity of Canada because this union provides concrete advantages both to the member communities of the federation as well as the citizens of our country.

Canadian federalism recognizes the existence of two communities; a local community which is represented by the provinces and a global community which is represented by the central government.

To obviate the difficulties of a political nature which we are going through, some observers propose that the federal government give up some of its powers and its functions to the provinces. When they are asked why the federal government should embark on this course, they reply: because the federal government holds too many powers and the provinces not enough.

Since the end of the Second War we have been hearing the same refrain, the same old story; we forget that the federal government has progressively divested itself of numerous powers since 1946 and that it is the provinces who have benefitted from this divestment, this decentralization.

One can say that Canada, in fact, is already the world's most decentralized federation. In 1971, the last year for which comparative statistics are available, Ottawa accounted for only 37 per cent of public spending by all governments compared to 46 per cent, 48 percent and 60 per cent respectively by the federal governments of Australia, West Germany and the U.S. Confederation is loose enough to allow Quebec "special status" in all but name -- its own tax collection system, its own pension plan, its own civil code and educational system, and the power to pass a law -- Bill 22, the Official Language Act -- that flatly contradicts the federal bilingualism legislation.

In addition, here are a few figures taken from an analysis of public revenue and expenditures in Canada published at the end of 1976 by the Canadian Tax Foundation. If we examine public spending (exclusive of transfer moneys) expressed in percentage of the gross national product, we

find that in 1946, at the end of the war, federal expenditures represented 22.7 per cent of the G.N.P., the expenditures of the provinces 4.6 per cent of the G.N.P. and those of municipal administrations, 4.2 per cent of the G.N.P. (The other expenditures belong to the private sector). In 1974, federal expenditures represented only 16.1 per cent of the G.N.P., the expenditures of the provinces had leaped and now represented 11.3 per cent of the G.N.P. and the expenditures of the municipal governments had more than doubled to represent 8.5 per cent of the G.N.P.

I believe that these examples amply show that Canada is a decentralized country, that the provinces enjoy a very high degree of autonomy. On the subject of centralization some provincial political men openly criticize Ottawa, then go on to tell the federal government that it is only for the gallery that they are expressing these criticisms; we need more responsible people.

The Canadian Federation does not exist only for the provinces; it benefits individuals. The year 1977 will go down in history as that year when French and English will have learned to live together in the same backyard. We shall discover that there are more reasons to unite than to separate.

I recognize that the economy is not sufficient to maintain unity in a country. The ties that bind are caused by intangibles like emotion and feeling and spirit also by a recognition that divided, our two parts would be less than the sum of our present whole.

"Canada was born of the providential encounter of two of the great languages and cultures of Western civilization", the Prime Minister said in Quebec City the other day. "Canada is fundamentally and always this same encounter. It will never be able to be anything else."

I invite you to meditate over these words which commit us to fight for the maintenance of Canadian unity.



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February 10, 1977

Luncheon Address

Annual Conference  
Canadian Home Manufacturers  
Association,  
Quebec City, P.Q.

February 10, 1977



I wish to thank you for inviting me here today to address your annual conference. This is the first opportunity I have had to speak to home manufacturers since my recent appointment to the Urban Affairs Ministry, and I would like to say at the outset that I am well aware of the important contribution all of you are making to the housing industry in Canada.

Your segment of the building industry is playing an increasingly important part in the housing of Canadians, both in the production of individual modular homes and in the manufacture of component parts.

Your industry is part of the advancing frontier in housing technology, and over the past few years you have made remarkable progress in developing and improving the quality of manufactured homes and building components. Your innovative techniques and your adherence to quality production has built lasting confidence in your products and systems among the public and within the industry generally.

I am most impressed with the progress you have made during the past few years. I understand that the value of industrialized housing in Canada now amounts to well over one billion dollars a year, and represents about 23 per cent of the total value of all housing in Canada.

I suppose it would be correct to say that all housing, even units built in the conventional way, includes manufactured components, and in that sense your activities cover virtually all of the Canadian residential building industry.

But, aside from that, I was amazed to learn recently that almost 40 per cent of individual dwellings built in Canada today are either modular homes or consist to a major degree of component products manufactured by member firms of this association.

In mentioning these few facts, I am not telling you anything you don't already know. But I want you to realize that we are aware of the scope of your industry and its importance in the Canadian housing picture. You have good reason to be pleased with the progress you have made over the past few years and I am sure manufactured housing will continue to play an increasingly significant role in meeting the shelter needs of Canadians.

I was particularly impressed to learn that your export market has increased more than three-fold over the past few years, from a total value of \$28 million in 1974 to about \$81 million last year. That in itself provides an excellent example of your marketing resourcefulness.

I know you will not mind my paying tribute to the federal contribution to the development of these markets. The Department of Industry, Trade and Commerce has been most pleased to provide the information you require to open up new markets, as well as guidance in their development.

ITC officials, I know, conduct extensive studies both within and outside Canada on market conditions, business opportunities and relevant matters, and your industry, as well as others, can benefit substantially from the findings.

Officials at Industry, Trade and Commerce have been helpful in other ways as well, as many of you know. They assisted in the founding of a consortium which was most useful in broadening your market in Southeast Asia, and I understand they are now planning a tour for later this year to the Middle East, primarily to explore your export opportunities there.

I'd like to mention, too, how pleased I am that my officials at Central Mortgage and Housing Corporation have a good working relationship with your association and individual firms. I know that in addition to regular meetings, there is a continuing two-way flow of information and advice on a variety of matters that can lead to positive beneficial action.



As one example, you will recall that in 1975 CMHC gave approval for the first time to certain building practices that were unique to the manufacture of sectional housing, and were not recognized in Residential Standards.

Subsequently, CMHC recommended that these techniques be incorporated in the Residential Standards, and we understand that many of them will be contained in the 1977 edition.

Your close relationship with CMHC is a natural outgrowth of a mutual interest -- the provision of good quality, medium-priced housing to fill the real needs of Canadians.

For the last few years we have been giving the building industry and associated groups, such as lenders, a straightforward and consistent message: that the market for new housing will more and more shift from large and expensive houses towards the low and medium-price ranges. We continually have emphasized that this is the area where federal support would be directed, and that builders would be well advised to sharpen their pencils when planning production.

I believe that the 1976 experience shows beyond question that our encouragement of moderately-priced housing was right on the mark.

You already know that housing starts in 1976 reached a record level of more than 270,000 units. We cannot, of course, claim that this was due simply to federal programs. There were many factors involved in attaining this high level of production, not least of which was the initiative of the building industry in meeting the demands of the market place.

A study of the statistical breakdown, however, reveals that federal programs did contribute significantly to a highly successful building year.

The figures show, for example, that more than 95,000 new housing units, both for ownership and rental, qualified for NHA loans in 1976. That is 36 per cent more than the previous year, which seems to indicate a ready market for houses in the moderately-priced class.

More significantly, activity under the Assisted Home Ownership Program increased last year, which helped to fill an urgent need in many urban centres for accommodation in the medium price range. We expect that next year, with the buyers' market prevailing, more AHOP units -- probably from 40 to 50,000, will be designated.

I am pleased with these results. They indicate that federal housing policies and programs have been accepted by builders and the public, and that they are working. Equally important is the fact that we are on target with regard to our objective of one million housing starts during the four years ending at the close of 1979. This figure of one million starts was not picked at random, or because it sounded impressive, but simply because that is the minimum number of starts required to meet the housing demands of Canadians before 1980. This estimate is based on expected population growth, family formations, inevitable deterioration of existing supply, and a number of other factors that together determine real housing needs.

Manufactured housing will naturally play an important role in reaching that one million-unit figure, particularly because your production is so closely in line with the sort of housing we are encouraging.

I am told that 90 per cent of manufactured homes last year carried price tags that were within the AHOP maximum limits. Production of houses in this price range is ideally geared to the current market place.

Let me repeat that housing today must be affordable. People should be able to buy a home without becoming "house poor", without facing the dismal prospect of spending an unwarranted percentage of income for years in order to pay for a new home. Even homes that come within the price limits of AHOP, in many instances, could not be afforded without the interest-reducing feature of that plan.

But, just as important as affordability, we must continue to be concerned with quality.

We are already aware, particularly from the experience of the last two years, that Canadians are, for the most part, willing to forgo unnecessary frills that add considerably to the cost of housing.

Although they are willing to do without these extras, they still look for quality in a home. They will not accept -- nor should they accept -- shoddy workmanship or poor design. They want an affordable home that will provide the living space they need, and they want a home that will stand the test of time.

Quality must be protected, and I am very pleased at the rapid development of provincial home warranty plans during the last year or so. I believe these plans should be encouraged and supported, because home buyers need this kind of protection when they are making what is probably the biggest investment of their lives.

As you know, home warranty plans are now in place in every province. Although their details vary, they generally provide a one-year warranty against defects due to non-compliance with provincial and federal building codes, as well as a five-year warranty against structural defects.

Although I wholeheartedly support the progressive idea of home warranties, I am concerned that they cover only new houses offered for sale, and do not include rental accommodation or housing occupied as a co-operative. In some provinces, even condominium houses are excluded from coverage.

I would like to see the warranty program widened in scope to provide protection for all new houses. We will be meeting with provincial officials before long to see how all housing built with NHA assistance could be brought within the warranty plans, so that we could extend the benefits of this important public service to a wider range of Canadians.



Quality, however, is not just a question of technical building standards, or lack of defects. The idea of quality includes everything that goes to make a home convenient, comfortable and appealing.

The trend today, as you know, is towards medium density housing. We are doing everything we can to encourage this trend and to make more efficient use of land.

Our Municipal Incentive Program, for example, encourages municipalities to open up new land for housing by providing \$1,000 for every new unit of medium density, moderately-priced housing produced. This program has proved popular, and has had the desired result of bringing more serviced land on the market for quick starts.

The problem is to build medium density housing without sacrificing certain values of acceptable community and family life. We know that people want a sense of identity -- they don't want to be simply an indefinable component of a faceless structure. They want an individual address, immediate access to the street, and outdoor space they can call their own. Even in a project that includes several households, they want to keep the most desirable features of the single-family home.

Some excellent examples of this kind of housing were recognized recently by the Canadian Housing Design Council. Last year, CMHC suggested to the Council that their annual awards should support and encourage high-quality affordable housing, and I am pleased that among the winning designs were many examples of moderately-priced housing built under various sections of the National Housing Act.

I know that it is not easy to design and build outstanding houses under economic restraints, but a number of these award winners demonstrated that it can be done. We were impressed with the imagination, the planning and the expertise that went into their creations, all of which were practical and attractive as well as affordable.

We have been urging traditional-style builders to concentrate more on innovative design in the medium-price field, and many of them have responded by producing sound, attractive housing that meets the criteria of quality and affordability.

It seems to me that the manufacturers of modular or sectional homes might find it advantageous to investigate the possibilities of broadening their market in medium density, multiple unit housing. There has been some production in this area, of course, but I wonder if the potential has been fully explored?

I am aware that there are certain difficulties to be overcome before widespread manufacture of multiple unit housing is feasible.

But the fact that these difficulties are not insurmountable is evident right now in Edmonton, where a unique project involving CMHC and private industry has been put into motion.

The background is this:

An architect who had successfully designed small institutional buildings in remote areas of Alberta, using the same principles as in the construction of sectional homes, approached CMHC with the suggestion that this technique could be used for multiple unit housing. CMHC officials were interested, and agreed to make available land which it was holding in the suburb of Millwoods and to provide some start-up funding in the interest of research and development.

All houses were to be in the medium price range, with a third to be within AHOP maximums. The sponsors were to handle the entire project as a package, including the tendering, the marketing and all other necessary arrangements for putting the project in place.

The project is now going ahead. Certain work is now underway on the site, including grading and pouring of concrete, and the first cluster of about half a dozen units is expected to be in place by the end of this month. When completed, there will be 49 units, most of them with two or three bedrooms, but a few with four bedrooms, and the modules will be stacked, in some cases, to a height of three-and-a-half storeys.

Total construction time is expected to be between three and four months.

As I mentioned, about one-third of the units will be within the AHOP maximum, which in Edmonton is \$41,500, and the remainder will be within the moderate price range. I am assured that even without Federal Government assistance, housing of this kind would be competitive with similar conventional housing in the Edmonton area.

For a first-time project, largely of an experimental nature, this is encouraging and suggests that multiple-unit, manufactured housing can offer another option to Canadians who are looking for well-designed, affordable homes.

The Edmonton project was produced by a consortium of interested parties who were able to obtain an unused factory that had formerly been used for the production of mobile homes. This suggests that existing techniques and equipment of home manufacturers could be readily adapted to production of multiple-unit housing at competitive prices.



I hope I have given some of you food for serious thought. I cannot over-emphasize the need for more medium-density, modestly-priced housing. This kind of accommodation not only helps increase the supply of affordable housing, but makes the best possible use of serviced land. From the point of view of the housing industry, I would judge this is a market with an interesting potential.

There are, of course, many other approaches to medium density housing. The zero lot-line concept, for example, shows promise and is being tried in a number of localities. We are examining and evaluating all approaches to the problem of how best to make use of available residential land and, in fact, we are pioneering in some areas.

As most of you will already know, CMHC programs of development and demonstration are directed towards many concerns in the area of housing and community design. These programs are not primarily experimental in nature. They combine research and action to produce new concepts that people can see and emulate.

All projects must be realistic developments that can be used and are affordable by the people for which they were designed. I believe that the results of this work will assist greatly in the further development of medium-density housing that people will not only accept, but enjoy.



About two weeks ago Mr. Douglas Peters, vice-president and chief economist of the Toronto Dominion Bank, told a housing conference in Toronto that in his view, "the major post-war Canadian housing problem -- that of total adequate housing supply -- has been resolved. We now face more specific and certainly different housing problems."

This observation is in accord with the federal position, expressed on a number of occasions during the past year, that there is no shortage of housing in Canada, but there is a serious shortage of affordable housing.

I have attempted today to outline in brief detail some of our major concerns and some of our activities in the field of housing, particularly as they may relate to your industry. I have touched on innovation, research and development because these are more necessary today than ever before if we are to satisfy the Canadian demand for good, affordable housing, in a safe and satisfying environment. These are areas where, in my opinion, untapped potential exists for manufactured homes and components.

Your industry has come a long way during the last few years, and you have every right to be proud of your progress. I think you will agree, though, that now is not the time for any of us to rest on our oars, for we have to meet the demands of today while anticipating and preparing to meet those of tomorrow.

The real challenge facing you -- and us -- is to combine the benefits of advancing science and technology with creative imagination, so that we can give the Canadian people the best housing possible in the most efficient and economical way that can be devised.

That's quite a challenge, but I know you're as willing to take it on as we are.

After examining the federal government's intention with reference to the questions that particularly interested you, allow me to conclude this address by inviting you to reflect on a problem that concerns all of us: the future of Canadian federalism.

Personally, as a Canadian, as a Québécois, as Minister, I believe in Canadian unity; I believe in Canadian federalism.

I believe in the unity of Canada because this union provides concrete advantages both to the member communities of the federation as well as the citizens of our country.

Canadian federalism recognizes the existence of two communities; a local community which is represented by the provinces and a global community which is represented by the central government.

To obviate the difficulties of a political nature which we are going through, some observers propose that the federal government give up some of its powers and its functions to the provinces. When they are asked why the federal government should embark on this course, they reply: because the federal government holds too many powers and the provinces not enough.

Since the end of the Second War we have been hearing the same refrain, the same old story; we forget that the federal government has progressively divested itself of numerous powers since 1946 and that it is the provinces who have benefitted from this divestment, this decentralization.

One can say that Canada, in fact, is already the world's most decentralized federation. In 1971, the last year for which comparative statistics are available, Ottawa accounted for only 37 per cent of public spending by all governments compared to 46 per cent, 48 per cent and 60 per cent respectively by the federal governments of Australia, West Germany and the U.S. Confederation is loose enough to allow Quebec "special status" in all but name -- its own tax collection system, its own pension plan, its own civil code and educational system, and the power to pass a law -- Bill 22, the Official Language Act -- that flatly contradicts the federal bilingualism legislation.

In addition, here are a few figures taken from an analysis of public revenue and expenditures in Canada published at the end of 1976 by the Canadian Tax Foundation. If we examine public spending (exclusive of transfer moneys) expressed in percentage of the gross national product, we find that in 1946, at the end of the war, federal expenditures represented 22.7 per cent of the G.N.P., the expenditures of the provinces 4.6 per cent of the G.N.P. and those of municipal administrations, 4.2 per cent of the G.N.P. (The other expenditures belong to the private sector). In 1974, federal expenditures represented only 16.1 per cent of the G.N.P., the expenditures of the provinces had leaped and now represented 11.3 per cent of the G.N.P. and the expenditures of the municipal governments had more than doubled to represent 8.5 per cent of the G.N.P.

I believe that these examples amply show that Canada is a decentralized country, that the provinces enjoy a very high degree of autonomy. On the subject of centralization some provincial political men openly criticize Ottawa, then go on to tell the federal government that it is only for the gallery that they are expressing these criticisms; we need more responsible people.

The Canadian Federation does not exist only for the provinces; it benefits individuals. The year 1977 will go down in history as that year when French and English will have learned to live together in the same backyard. We shall discover that there are more reasons to unite than to separate.

I recognize that the economy is not sufficient to maintain unity in a country. The ties that bind are caused by intangibles like emotion and feeling and spirit, also by a recognition that divided, the sum of our two parts would be less than the present whole.

"Canada was born of the providential encounter of two of the great languages and cultures of Western civilization", the Prime Minister said in Quebec City the other day. "Canada is fundamentally and always this same encounter. It will never be able to be anything else."

I invite you to meditate over these words which commit us to fight for the maintenance of Canadian unity.



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Speech for Mr. Jean-Robert Gauthier, M.P.

Parliamentary Secretary to

Minister of State for Urban Affairs

to

Canadian Mobile Home Association

at

Holiday Inn, Ottawa

April 14, 1977



Thank you for inviting me here today to address your annual conference. I always like to have the opportunity to speak to people in the housing industry, particularly in the production end, and I hope I can give you some information today that will be helpful or at least of interest to you.

The mobile homes industry has a unique place in the housing of Canadians. It developed in response to a need for comfortable accommodation at less cost than that for traditional dwellings, and it provides an ideal home, often a first home, for many people who are priced out of the conventional market by rising costs, particularly for land.

During the past few years in particular, manufacturers of mobile homes have made excellent progress in developing and improving the quality and appearance of their product. This has unquestionably increased consumer acceptance of mobile homes, but I realize there is still some way to go before full market potential is reached.

Your industry has special problems which, as you know, have been receiving serious consideration recently, both from the Urban Affairs Minister, Mr. Ouellet, and officials at Central Mortgage and Housing Corporation.

You are all so familiar with the matters that have been discussed that there would be little point in my rehashing them in detail at this time. I would like to emphasize, though, that all the points your association brought forward were examined thoroughly and with sympathetic consideration of the obstacles you are encountering in your efforts to develop your markets in Canada.

As a result of your representations and subsequent discussions, Mr. Ouellet has made three recommendations that have, I understand, been favorably received. The first of these is a joint study team to deal with the question of financing in the purchase of mobile homes and the development of suitable land for the location of the homes.

Mr. Ouellet has proposed that the study team also establish a working plan, or terms of reference, for a Research and Development Council dedicated to the improvement of your industry.

CMHC will provide funds to assist in these ventures, which are intended to chart a course over the next few years towards greater viability within your industry.

Mr. Ouellet's second recommendation is a deliberate effort to promote more widespread use of mobile homes. He has proposed that CMHC, working through municipal and provincial

authorities, select a number of land assembly projects designated to contain a certain percentage of mobile homes. In this connection, CMHC has already initiated a survey to determine the location of suitable sites. Your association may wish to conduct a similar survey to determine the locations where the proposed assistance would be most helpful.

Finally, the Minister proposed that your industry, with CMHC support, sponsor pilot projects to test the idea of condominium tenure as an alternative to leased pads.

This three-point program is designed to assist your industry in overcoming some of its current problems. There are other matters of concern, I know, that remain unsolved. One of these is the NHA Residential Standards, which many of you feel might be less stringent when applied to mobile homes.

This has been discussed at length, but no compromise seems to be possible at this time. CMHC is responsible for ensuring that the over-all quality of Canadian housing is maintained, and its policy has always been to implement consistent standards for all housing. If lesser standards were adopted for one particular segment of the industry, it would be discriminatory, and unfair to conventional house builders and home manufacturers. The minimum standards are realistic and time-tested, and they must apply to all homes built for Canadians, no matter of what type.



There are two other considerations here. One is that municipalities have a right to expect us to maintain suitable standards for every type of housing. The other is that compliance with NHA residential standards would add less than \$1,000 to the cost of a mobile home, according to informed estimates that I have received, which should not present insurmountable difficulties.

It is possible that eventually a set of simpler standards could be developed to apply only in rural and remote areas, but this could only be done in collaboration with all other bodies represented on the Associate Committee of the National Building Code.

Another problem concerns the financing of mobile homes, specifically the question of NHA-insured, chattel mortgage financing. This would require legislative authority, as you can appreciate, but the experience of Housing and Urban Development in the United States in this field is not encouraging.

As I mentioned earlier, all of these issues have been discussed in detail with your representatives, and I am sure you understand the reasons why we cannot go in certain directions despite our interest in and support for your industry. The proposals of Mr. Ouellet are tangible evidence of that support, and will undoubtedly serve to benefit mobile home manufacturers in Canada.

Housing at modest cost is a priority concern of the federal government, and will continue to be for the foreseeable future.

For the last few years we have been giving the building industry and associated groups, such as lenders, a straightforward and consistent message: that the market for new housing will more and more shift from large and expensive houses towards the low and medium-price ranges. We continually have emphasized that this is the area where federal support would be directed, and that builders would be well advised to sharpen their pencils when planning production.

I believe that the 1976 experience shows beyond question that our encouragement of moderately-priced housing was right on the mark.

Housing starts in 1976 reached a record level of more than 270,000 units. We cannot, of course, claim that this was due simply to federal programs. There were many factors involved in attaining this high level of production, not least of which was the initiative of the building industry in meeting the demands of the market place.

A study of the statistical breakdown, however, reveals that federal programs did contribute significantly to a highly successful building year.

The figures show, for example, that more than 95,000 new housing units, both for ownership and rental, qualified for NHA loans in 1976. That is 36 per cent more than the previous year, which seems to indicate a ready market for houses in the moderately-priced class.

We are pleased with these results. They indicate that federal housing policies and programs have been accepted by builders and the public, and that they are working. Equally important is the fact that we are on target with regard to our objective of one million housing starts during the four years ending at the close of 1979. This figure of one million starts was not picked at random, or because it sounded impressive, but simply because that is the minimum number of starts required to meet the housing demands of Canadians before 1980. This estimate is based on expected population growth, family formations, inevitable deterioration of existing supply, and a number of other factors that together determine real housing needs.

Mobile homes will naturally play a significant role in reaching that one-million unit objective. Recent sales figures would suggest a minimum of 70 to 80,000 new mobile homes by the end of 1979, but that figure might well be increased by greater public exposure to and knowledge of the benefits of mobile home living. As I mentioned earlier, the proposals of the minister are directed towards that end.

An important factor to consider is that mobile homes are included in the Municipal Incentive Grants Program. Through this undertaking, CMHC pays the sum of \$1,000 to a municipality for every unit of medium-density, moderately-priced new housing produced within its environs. The purpose of the grant is to encourage municipal support of medium-density housing, at prices that Canadians can afford. It results in more efficient, more economical use of available residential land, and to some extent helps to offset the potential imbalance between revenues received from medium-density housing and the costs of services to be provided.

Mobile homes in a subdivision within municipal environs certainly qualify as medium-density, moderately-priced housing, and provide entitlement to the municipality for the \$1,000 grant.

I realize that many municipalities are reluctant to zone for mobile housing assemblies, but perhaps some progress in this area will be made through implementation of Mr. Ouellet's proposals. I know that in both Saskatchewan and Alberta, subdivisions for mobile homes in suburban locations have been established by municipalities who recognize the role this type of housing can play in the provision of needed low-cost accommodation, and who wish to control the quality of development.



I think quality is really the key work in any consideration of mobile homes. Individual Canadians, as well as municipalities, will accept innovative approaches to housing, but will insist on quality in workmanship and design. I know that you are all well aware of that, and I think you will appreciate that this consideration is one of the reasons why we insist on minimum residential standards for all housing.

During recent years we have been urging traditional style builders to concentrate more on innovative design in the medium-price field, and many of them have responded by producing sound, attractive housing that meets the criteria of quality and affordability.

It seems to me that the manufacturers of mobile homes might find it advantageous to investigate the possibilities of broadening their market in medium-density, multiple-unit housing. I mention this because I am impressed by a unique project in Edmonton that involves both CMHC and a mobile home manufacturer whose operation was versatile enough to allow him to expand into multiple-unit modular production.

You are undoubtedly familiar with the project, which involves 49 modular units, most with two or three bedrooms and a few with four bedrooms. The modules are stacked, in some cases to a height of three-and-a-half storeys, and all units are within the moderate price range.



For a first-time project, largely of an experimental nature, this undertaking is encouraging, and it suggests that perhaps the basic design of mobile homes could lend itself to further development into the multiple housing field.

You know better than I just how practical this idea may be, but it strikes me that if one manufacturer can do it, perhaps others can as well. Certainly innovation in the field of housing is a distinct requirement today in order to achieve quality homes at affordable prices.

While I'm on the subject of multiple housing, I'd like to say a word or two about the problems that are peculiar to medium-density housing of all types, including both multiple housing and mobile homes.

Two areas of critical concern are identity and privacy.

To an important extent, it has been found, identity in housing can be equated with one's presence on a street.

But dwellers in most medium-density housing projects, as currently designed, have no street address, except for a few whose living units front on a peripheral street. Not surprisingly, it has been found that in multiple-unit projects, dwellings that front onto peripheral streets and have street access, are the first to be sold or rented.

The lack of a traditional address is symptomatic of the loss of identity that can occur in a multiple housing environment. One dwelling is often indistinguishable from another. The resident may feel he is just one part of a large mass of population. His individuality is, at least to outward appearances, absorbed in the sameness of his surroundings.

Privacy is another area of concern when comparing multiple-unit dwellings to the traditional single-family home.

People who live in detached dwellings can enjoy some privacy by virtue of the distance from neighboring houses. Even in many multi-storey apartments, if they are reasonably sound-proofed, privacy can be so effective that many high-rise dwellers have complained of isolation and even alienation.

Lack of privacy is most conspicuous in low-rise multiple housing. As currently designed, most of these projects provide very little private outdoor space. Even the private zones are subject to ready intrusion from outside, and lack of intimate privacy afforded by a detached dwelling on its own lot.

Loss of privacy in contemporary life is a problem that requires thoughtful and sensitive solutions, particularly in the area of housing design.

The problems of loss of identity and privacy in multiple-unit or mobile housing do not lend themselves to total solutions because of the nature of the community produced. The solution most likely lies in the design of such housing that will best serve both the physical and the psychological needs of people who have long been conditioned to traditional housing forms.

The research and development council proposed by Mr. Ouellet may be able to provide practical answers to these problems, which are certainly part of the over-all consideration of greater public acceptance to mobile homes.

The real challenge facing you -- and us -- is to combine the benefits of science and technology with creative imagination, so that we can give the Canadian people a greater variety of satisfactory options in meeting their housing needs.

That's quite a challenge, but I know that you're as willing to take it on as we are.

Continued  
Publication

SPEECH FOR MR. JEAN-ROBERT GAUTHIER, M.P.

PARLIAMENTARY SECRETARY TO

MINISTER OF STATE FOR URBAN AFFAIRS

TO

CANADIAN URBAN TRANSIT ASSOCIATION

VANCOUVER

JUNE 20, 1977

In Mr. Gauthier's absence,  
this speech text was read by  
Mr. Pierre Caron,  
Chairman and General Manager of  
Outaouais Regional Community  
Transit Commission.





It is a great pleasure to be here at the annual meeting of Canada's urban transportation specialists. A non-expert like myself cannot fail to be impressed and encouraged by the knowledge and experience assembled here to discuss some of the most pressing problems faced by our cities today.

I would like to discuss some rather general issues with you-- issues which are, from a federal point of view, nevertheless extremely important. The first of these concerns is the role of governments in urban transport. I should preface my remarks by saying that I am not here to apologize for the fact that a massive program of federal assistance to urban transit is not in place at this time. What I would like to do is explain to you why this is the case.

There are, as you know, two fundamental barriers to the creation of straightforward federal urban transport subsidy programs. The first of these is constitutional. The simple fact is that the division of powers under the British North America Act gives the provinces complete responsibility for municipalities. And, as a result of this, we have a situation where there is a lot of pressure on the federal government to provide provinces and municipalities with more and more freedom to determine their own financial destinies.

In some areas--much of inter-provincial transport is one--there is a fairly clear line to be drawn, beyond which it is agreed the federal government should neither delegate nor acquire more responsibilities. In other areas, urban transport for example, the line demarcating responsibility is much less clear.

Just look at the variations in provincial responsibilities for urban transport across Canada! In such a situation it is difficult to reach agreement on where federal responsibilities for urban transport begin and end, if in reality they exist at all.

The second major barrier to direct federal involvement in subsid programs is financial. Ottawa has undertaken to restrict its expenditure increases to the absolute minimum, meaning that new money will only be provided for the highest federal priorities. Given the constitutional facts of life I just outlined, and ranking urban transport against all the other goods and services and national problems for which the government has to take full responsibility, it is easy to see why direct massive federal subsidies to urban transport are somewhat difficult to justify.

Before I turn to the very positive role the federal government is willing to play in urban transport problems, I want to outline

four factors which are crucial to the federal view of urban transport problems, and which I hope will provide the basis for consultation and cooperation between all levels of government and the industry in the future.

One: there is a severe long-term energy supply and demand problem in Canada and automotive fuel consumption levels are an important contributor to this problem.

Two: urban congestion is too high during peak hours. And, congestion is one symptom of a basic inefficiency--that is, too many vehicles going in the same direction at the same time using public facilities of limited capacity.

Three: the relationship between urban transport on the one hand and land use patterns on the other is a very close one. It is self-evident that transportation shapes land use and vice versa. This suggests to me that transport decisions can have side-effects on the cost of other urban services which are extremely important to the budgets of all levels of government, as well as to individual citizens.

Four: the seriousness of urban transport problems varies enormously across the country. Different people and different places have vastly different urban transport needs and abilities to pay for those needs.

So, these problems--energy, congestion, land use and varying transport needs--give us a sense of concern and urgency. It is interesting to note that viewed this way, urban public transit is (to paraphrase the Office of Energy Conservation) part of the solution, not part of the problem. The federal government is prepared to address the problems quite directly, and work with other governments and transport authorities to create the kind of cities where the solutions become viable.

Let's take the problems one at a time. I will not dwell too long on the importance with which the government views the energy situation, and the many steps that are being taken to improve it. However, I will say that energy conservation is one objective we trust all governments use as a criterion in allocating scarce resources.

Research studies in the area of transportation and energy conservation are included in the programs of several federal departments. The Office of Energy Conservation in Energy Mines and Resources, the Research and Development Centre of the Ministry of Transport and the National Research Council have projects dealing with this subject. More than one-half million dollars will be spent this year on studies directed specifically at transportation vehicle fuel efficiency with approximately one-half of this amount directed at road vehicles.



Where the goal is energy conservation, we have to look carefully at the relative effectiveness of strategies open to us. Federal resources might well be more effectively spent in housing assistance, like insulation programs, than in urban transport. Or, they might be more effective in research and development than in direct subsidies. It is this kind of trade-off which we all must do to find the most energy-efficient way of spending each additional dollar.

The second problem I outlined concerned the inefficiencies in the supply of and demand for urban transport facilities. The most obvious symptom is a high level of congestion. Perhaps I should ask you if more can be done at the local level to relieve congestion and correct inefficiencies? If the problem is too much automobile travel, is sufficient effort being made in the direction of automobile disincentives, or at least full-cost pricing? This is an area in which the federal government cannot, and should not, do much more than influence the price of fuel and vehicles. But we can, and do, provide research and demonstration assistance for innovative ideas.

To give an indication of current levels of federal involvement in urban transportation R and D, it should be noted that within the last year expenditures in excess of \$2 million were made. 70% of this was directed at transit improvement projects. Some of the principle areas now being investigated include:

- improved transit system scheduling and dispatching;
- busway and buslane studies in Winnipeg and Ottawa;
- development of a "transit textbook" to assist in the training of new managers and planners for the transit industry in the future;
- the viability of new forms of transit operations such as para-transit and shared-ride taxi in Bathurst, Charlottetown, Battleford, Regina;
- viability of car pooling programs;
- parking studies;
- level of service standards for urban transit and optimum bus stop spacing.

Furthermore, the Ministry of State for Urban Affairs does feel that its municipal planning support should encourage measures to decrease the need for automobile travel. It is worth noting that this involves a change in planning and design habits, and a willingness to modify the nature of travel demand. It does not automatically involve more government subsidies to transit.

The third problem area - land use/transport relationships - is another subject of direct federal concern. We are asking ourselves this question: do federal and provincial housing programs impose indirect and unintentional urban transport costs on municipalities and individuals? In other words, do our housing programs help create urban transport inefficiencies as far as municipal and family budgets are concerned?

Then there is the problem of neighborhood layout and design. In the past few decades we have seen a gradual shift from the gridiron street layout to the cul-de-sac/crescent/collector system. In new subdivisions, this has tended to reduce traffic speed, increase pedestrian safety, and in general limit the use of residential streets by through traffic. This success in servicing, while at the same time controlling automobile traffic, has resulted in a tendency of older neighborhoods to copy traffic circulation principles embodied in modern subdivisions. Street closures, one-way flow systems, pedestrian precincts and environmental improvements help to provide older areas with much the same protection from traffic intrusion as is found in a modern planned layout. However, these kinds of design principles have created a traffic flow pattern which discourages the provision of fast, efficient public transit service.

The Ministry of State for Urban Affairs is undertaking two major projects on the subject of transport's relationships with urban design and land use. One, in co-operation with CMHC, is an examination of National Housing Act programs themselves; the other, in co-operation with the Ministry of Transport, CMHC, and the Greater Vancouver Regional District, is a study of subdivision design guidelines which would encourage transit use, increase transit system efficiency, and which could be adopted in neighbourhood development across the country. These are subjects on which we need your help. We think we can influence urban design, but your advice on how to do it is essential.

The fourth problem area I mentioned was the uneven distribution of urban transport problems. This is the crucial issue as far as financing urban transit from the federal level is concerned. First, public transit has a major role to play as a social service in the lives of disadvantaged groups. The social service function of transit is an area that the federal government has proposed to assist in a direct way through a new Social Services Act. The sections of the proposed Act dealing with transportation services for the disabled will not detail the regulations under which the program will operate. Definitions of target groups, cost categories, services and the like will be left to a process of consultation with each of the provinces. The basis for these agreements will pay up to 50% of the cost to the province and its municipalities of providing the service.

It is anticipated that those sections dealing with urban transportation for the disabled will generate a great deal of provincial and municipal interest and co-operation during the consultation process.

The federal government has taken a number of initiatives since 1974 to encourage the provision of urban transit, discourage the



excessive use of automobiles and promote the conservation of energy. In aid of urban transit systems, the government in November of 1974 eliminated the 12% sales tax from transit system equipment and municipal buses. In June 1975 transit system vehicles were exempted from paying the government's 10-cent per gallon surtax on gasoline. The saving to Canadian urban transit systems on a national basis as a result of both of these measures is approximately \$20 million per annum.

In the government's budget of May, 1976, Mr. MacDonald introduced a scaled weight tax on automobiles over 4425 lbs. to discourage the use of large, heavier and less efficient private passenger motor vehicles. It is the government's intention to reduce the maximum weight of vehicles which would be exempt from the tax to 3500 lbs. from 4425 lbs. over the course of the next four years.

In addition, energy conservation measures, including proposed mandatory fuel consumption efficiencies for automobile manufacturers similar to those being enforced in U.S., are being developed. Suggested efficiency rates are currently 24 to 33 miles per gallon by 1980 and 1985 respectively.

However, the larger urban transport problems are still with us, and will continue to be unless concerted government action is taken. What could this action be? One suggestion I have is that we sit down together and try to agree on basic standards of transit service. Until we agree on the need--the basic



mobility rights of urban Canadians, if you like, we won't agree on financial requirements or on who should meet these costs. The reason we are interested in designating desirable levels of service goes beyond a concern that the nation undertake long-term urban transport planning. It arises directly from our contention that the uneven distribution of high quality transit services is due, in part, to an uneven distribution of municipal financial capability.

In his address to the Canadian Federation of Municipalities last month, The Honourable André Ouellet, Minister of State for Urban Affairs, expressed it this way, and I quote: "I am concerned that municipal governments are not equally capable of providing adequate levels of local public services. This, in turn, means that Canadians living in financially poor jurisdictions are caught in a situation where they either receive fewer services or face higher tax burdens than do other Canadians. It is the mismatching of resources and needs for specific municipal governments which I find to be the most challenging aspect of the municipal finance problem".

This statement has very clear and important implications for the federal government's likely concern for future urban transport issues.

It means that we are prepared to work with you towards agreement on what we all mean by "adequate levels of service".

It means that Urban Affairs will continue to press for fiscal reforms which would correct the unevenness of taxing capacity among municipalities.

And, it means that we hope to be prepared for federal intervention in situations where basic standards of service agreed to between governments are not being achieved, provided that local authorities have made all reasonable efforts to use their own resources.

This kind of policy may well mean, and indeed I hope it does, that we will be constantly monitoring and evaluating--with your input--the most cost-effective ways of meeting urban transport objectives. We will want to know if you have tried automobile efficiency improvements to complement transit expansion; we will want to know if alternative ways of financing transit could be adopted; and, we will want to monitor energy consumption patterns, shifts in the availability of public transport to different groups in society, and trends in the impact of related programs such as housing and land assembly. To carry the investigation of the relationship between urban form and energy consumption further the Ministry will carry out research directed specifically at determining the importance of land use arrangements and density for energy conservation. Major urban form factors, such as population density and extent of urbanization, will be included in the study to find which urban form attributes have the greatest

energy conserving potential and the financial and energy saving benefits which could be realized.

In return we will begin to push for a national consensus on urban transport planning standards, to work towards fiscal reform, if the right framework can be agreed to, and to share information across the country on any developments in other countries which we believe may be usefully adopted in Canada.

I thank you for this opportunity to discuss urban transportation with you. I know the Canadian transit industry, on both the manufacturing and operations sides, is among the best in the world. I look forward to helping create an urban environment in Canada where this expertise can thrive and prosper.

NOTES FOR AN ADDRESS

BY

MR. JEAN-ROBERT GAUTHIER, M.P.

PARLIAMENTARY SECRETARY TO

MINISTER OF STATE FOR URBAN AFFAIRS

TO

COMMUNITY PLANNING ASSOCIATION OF CANADA

POINTE-AU-PIC, QUEBEC

JUNE 16, 1977

8 P.M.





Ladies and Gentlemen:

I am pleased to be with you tonight in this setting which is unquestionably one of the most beautiful in Canada. I am sure that these would have been the sentiments of the Minister of State for Urban Affairs, Mr. André Ouellet, who is unable to be with us because of other commitments. He has nevertheless asked me to extend to you his most sincere greetings and to express to you his deep regret at not being able to attend and communicate with you directly. I can personally attest to his keen interest in your activities and his desire to discuss with organizations like yours this fascinating and multi-faceted subject, which the Romans called "res urbane" -- the city.

This evening represents a brief pause between two days of intensive thought and discussion devoted to the theme "Urban growth -- its evolution, its limits". I am certain that this symposium will provide you with an opportunity to update your knowledge and to share new ideas. It is with this in mind that I invite you, during the next few minutes, to cast a glance into the future, in light of the most recent data on

urban growth in Canada. I believe that after an analysis of the new information, we may be prompted to re-examine our ideas and readjust our focus on the nature of Canada's human settlements in the future. But before proceeding, and in order to clear up a certain misconception, which persists and which is sometimes the source of controversy, I would like to reiterate briefly the precise nature of our responsibilities and activities in the field of urban affairs.

First of all, it should be remembered that the Ministry of State for Urban Affairs is not directly involved in municipal affairs. It seeks neither to coordinate nor manage urban development in Canada. These are responsibilities which, logically and constitutionally, rest with the provinces and the municipalities. The federal government has always recognized and supported this arrangement. Any federal involvement in urban planning and development will be the result of an explicit request from or agreement with a provincial government.

We have no intention, therefore, of intruding either in municipal affairs or in the urban planning process. However, federal policies and programs implemented in a given area affect the population of that area, and undeniably the federal government in one way or another, exercises a real and sometimes very

considerable influence on urban planning and development. We would be negligent if we disregarded the effects of our policies at the regional and local levels, particularly if these activities run counter to regional and local objectives. Consequently, it is to our advantage to implement federal programs which are not only designed to achieve our own objectives, but also are as compatible as possible with provincial and municipal aspirations in the field of urban affairs.

Therefore, we should make every effort at the federal level to increase our understanding of municipal development objectives and the structure and evolution of our urban areas, so we can improve the effectiveness of our programs and policies. This is a second essential aspect of our role in the urban sector. For example, the application of new subdivision designs and innovative building styles or district heating systems in cities contribute substantially to the fulfilment of federal energy conservation objectives, while satisfying provincial and municipal development policies.

These are the reasons which lead us to encourage improved urban development, to increase our own understanding in this domain and to provide, with the consent of the provinces, financial, technical and moral support for planning and development. These are also the reasons which prompt us to help

ensure that services of comparable quality are distributed as equitably as possible among all Canadians, or that they are at least made more accessible to people in whatever area they live. I just wanted to outline these points regarding our role and activities in the field of urban affairs, and I hope they have helped to clarify the situation. What I propose to say about our perspectives on urban development will, I believe, illustrate what I have just outlined.

On a number of points, my comments depart from the conventional wisdom of the last ten years. They are based on the most recently available indicators of population growth, migration, and economic development as they affect our settled places across Canada.

In 1970, you may recall, the federal government published a report undertaken by a distinguished team of urban researchers, led by Dr. N.H. Lithwick of Carleton University. As part of their work, they commissioned a series of forecasts of Canada's urban population to the year 2001. Chief among the implications of these forecasts was that Canada would become much more highly urbanized than it was. According to the projections, our population would be heavily concentrated in the Montreal, Toronto, and Vancouver urban areas.

Obviously these forecasts did not and could not have the benefit of the 1971 census results or other more recent data. And, while they tended to become predictions of what would inevitably happen in the public mind, they were never presented as more than projections of past trends and relationships.

In fact, as early as 1973, the then Urban Affairs Minister, Ron Basford, noted that shifts were occurring in the historical pattern of people moving from the Atlantic provinces to Ontario and Quebec. Recent data indicate that this trend of continuing population loss to Central Canada has reversed itself...people are going back home to New Brunswick, P.E.I. and Nova Scotia.

To this new development has been added a variety of other signs and indications that the picture of greater concentration in our larger cities will likely not be borne out by events. These recent indicators are not firm or final, being based on only four years' annual data, and more recently, in part, on the results of the 1976 census. However, I can provide you with a fairly conclusive list of evidence even now; I may say it has far-reaching implications for those concerned with human settlements trends in Canada.



First, the proportion of Canada's total population within the Census Metropolitan Areas appears to be levelling off at about 58%. (This figure is based on 1976 boundary levels.)

Second, growth which was expected to occur in these areas appears to be decentralizing to medium-sized and smaller centres; around Toronto, for instance, it is occurring in cities and towns like Barrie, Guelph and Huntsville.

Third, the proportion of our total population residing in Montreal, Vancouver and Toronto is falling.

Fourth, both Montreal and Vancouver are forming a decreasing proportion of their respective provincial populations. Montreal, for example, has declined as a proportion of Quebec's population, with other areas like Quebec City and Chicoutimi-Jonqui re bringing in a larger share of provincial growth. Of course, this does not mean that Montreal's population is declining. Based on its average growth rate for the past five years, Montreal has gained roughly 15 thousand people per year since 1971.

Fifth, an examination of the 1971 to 1976 provincial growth rates indicates that the Atlantic provinces, Manitoba, Saskatchewan and Alberta are growing faster than in the previous

five-year period. On the other hand, the three provinces containing cities greater than one million in population are experiencing a slowing of their previous growth rates.

Sixth, the process of rural-urban migration appears to have peaked; the agricultural labour force was 467 thousand in 1973; this grew to 473 thousand in 1974 and 500 thousand in 1975; the rural non-farm population has of course been growing as a proportion of our total population.

And finally, in general, urban growth rates across Canada have slowed in line with our slower overall rate of population growth.

The first question that comes to mind about such a remarkable series of shifts in what were thought to be previously "inevitable" trends is "why?". Considerably more work will be required to determine a precise answer, but, in my opinion, one reason is the strength of the primary sectors of agriculture and energy in the new world economic situation.

In addition, the policies of the federal government have promoted regional economic development, and improved unemployment insurance and social assistance benefits. The inflation of house prices and serviced land values in a number of the largest urban centres is certainly another factor, together with the growing awareness of the vitality and attractiveness of Canada's small- and medium-sized centres as places to live.

And, I believe that a further contribution to the shift is that growing numbers of people of retirement age look for homes close to recreational facilities, or back at their "roots".

Finally, federal efforts to make our urban environment more widely understood have led to a growing awareness that large city benefits could be outweighed by their costs on an individual basis.

What are the implications of reduced urban growth rates and of a decelerating process of urbanization? One is that our "built environment" will not be as large and pervasive as it might otherwise have been. In fact, it appears that we have already constructed a large portion of the urban centres and buildings which we will inhabit in the year 2001.

For example, the projected 30 million people living in Canada then are likely to require about 10.5 to 11 million dwelling units and 7 million have already been built.

While some new settlements are going to be developed between now and then, by and large the urban centres we have now, together with the roads, rails and airports that link them, are going to be the same ones that exist today.

The possibilities for fresh beginnings presented by large-scale growth are therefore smaller than they appeared to be in 1970. But, this new perspective presents an important opportunity to us all. It appears that we can now afford to turn from an almost exclusive focus on the problems of rapid urban growth to a focus which encompasses settlement changes and addresses the whole range of settlement situations, including the thorny problems of declining population.

Our emphasis on rapid growth led us in the past to stress the objective of a more balanced distribution of urban population across Canada. And, it is essential that the federal government continue to concern itself with the distribution of economic opportunities across Canada and to ensure that people have a maximum amount of choice in sizes and types of communities in which to locate.

But it would appear that we need to adopt long-term policy objectives for our urban areas which are going to be valid, regardless of the rate and size of population growth.

Specifically, we need to ensure that our settled places and the networks that tie them to each other will serve us well over the long-term. There is no mystery about what kinds of urban areas, what kind of urban economy, what kind of urban technology, what kind of urban society will help us all to live physically secure, productive, and satisfying lives.

We want cities which will not consume scarce energy and non-renewable resources in a wasteful manner. This requires a very substantial improvement in the efficiency of our housing, our commercial buildings and factories, and our urban transportation systems.

We want cities which will respect the tolerances of the natural environment. This requires a major effort to clean up the backlog of untreated sewage still flowing from some cities and towns into our lakes and rivers, and a greater awareness of the need to avoid developing on fragile land areas.

We want cities which will not promote social injustice, by drawing increasingly firm lines between the "haves" and the "have-nots", for example. This requires that our programs such as the Residential Rehabilitation Assistance Program be continued and effectively employed to help reduce disparities in housing conditions. It also means that we must use all possible means to provide accommodation within the economic reach of lower income people and ensure basic levels of community facilities and services.

We want cities which will not act as machines for spreading inflation by passing on higher costs in the prices of products to the entire population of the country. In some parts of Canada, for example, high housing prices and other high costs of providing services may be reflected in both wage demands and the costs of doing business.



We want cities which will not operate in a way that forces some people to carry most of the costs while others secure most of the benefits of development. This requires the curbing of urban "sprawl" in which those who move out beyond the taxing authority of a given locality nevertheless continue to enjoy the use of the facilities and services provided by that authority. This is the recipe that produced New York's fiscal disaster.

We want cities which will be protected against natural disasters such as floods and landslides, to the maximum extent possible, and also against technological disasters and breakdowns, like regional power failures. This requires careful examination of where we locate settlements and how the technologies used to build and service them are vulnerable to future problems.

These may appear to be entirely obvious and non-controversial objectives. Yet it is surprising how many are not achieved within our current urban centres, and by our current processes of urban development.

In conclusion, I hope I have been successful in pointing out to you that many of our projections on future urban growth need to be altered substantially. If the preliminary conclusions from this data prove to be correct

after more analysis, it will mean that our three major cities will not be the objects of large-scale rapid growth in the coming years.

In my opinion, the opportunity now exists to turn our attention to settlement changes, rather than settlement crises, in order to improve the quality of life in our urban areas. Thank you.

UA  
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Discours by  
l'honorable  
André Ouellet

Discours de  
l'honorable  
André Ouellet

Minister of State  
for Urban Affairs

ministre d'État  
chargé des Affaires urbaines

Date: Friday May 27, 1977

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NON-GOVERNMENTAL ORGANIZATIONS  
POST-HABITAT CONFERENCE  
OTTAWA, ONTARIO

MAY 27, 1977



Ladies and Gentlemen:

I am very pleased to be here with you today. I hope you have found the past six hours or so of discussion on land and on public participation valuable both personally and to the organizations of which you are members.

This is the last of the meetings directly connected with the HABITAT conference. So it would be appropriate for me to describe for you what I feel has been achieved in relation to this major international event, from a Canadian perspective. I would also like to outline the nature and extent of our continuing commitments to the subjects addressed there.

HABITAT needs to be placed into context. While there were extensive preparations leading up to it, among them those of your own committees, it was essentially a single, concentrated experience. Attention was focussed, and usefully focussed on a critical issue facing all countries. But the participants



were all at different stages in their evolution. Some had only begun to systematically address the matter; others like Canada were far advanced in their consciousness of urban problems. For them and specifically for us, HABITAT provided an extremely useful opportunity to pause and reflect, to assess how far we had come, to examine directions for the future.

HABITAT coincided with and helped to shape the reorganization and realignment of the Ministry of State for Urban Affairs. We were able to gain from the experiences of other countries, and to devise approaches to settlements policy-making which reflect the most recent thinking.

I would like, having mentioned the Ministry's organization and orientation, to spend a few moments on the subject of its role. This has, at times, been a source of misunderstanding so it would be useful to clarify what this agency does and does not do.

First of all, the Ministry of State for Urban Affairs is not involved directly in municipal affairs since these are a provincial matter.

Similarly, the Ministry is not seeking to plan and manage urban development in Canada, since this is both rationally and constitutionally a provincial and municipal responsibility, which the Federal government recognizes and supports. Therefore, any actual Federal involvement in urban planning processes will be a result of explicit provincial request or agreement.

But although we have no intention of intruding directly into municipal affairs and urban planning, it is an inescapable fact that Federal policies and programs have profound effects on our cities. We would be remiss in ignoring these effects where they are contrary to local wishes. Therefore, we have a basic responsibility to deliver Federal programs as consistently as possible with provincial and municipal planning objectives -- provided, of course, that our program objectives can still be met.

Our role in urban affairs has another basic dimension. By developing an understanding of the functioning of our urban areas, our own program effectiveness can be enhanced. For example, new subdivision design, or building designs, or district heating systems applied at the municipal level may contribute substantially to Federal government energy conservation objectives. An understanding of local development objectives also provides us with an ability to better plan certain of our programs.

So you see, we are very interested in encouraging provinces and municipalities to undertake development planning, for the two reasons I have just suggested. To this end, we will provide financial, technical, and certainly moral support, with provincial concurrence of course. We will also ask them to take into account certain of our urban concerns and objectives to help ensure that a consistent, comparable and equitable quality of service is provided or at least made available to all Canadians in whatever town or city they may live.

And we will continue to develop even closer relationships with other federal departments and agencies which have a substantial impact on urban development so that mutual program objectives can be reached.

Having made these general comments, I would now like to highlight for you some of the many things which have happened since June of last year ... to give you a "progress report" on the follow-up to HABITAT.

First of all I would like to point out that Canada has a comprehensive position on the future of our human settlements, although as a result of our Federal system, the specific form it takes is different from that of countries with more centralized systems of government.

We are committed:

- to the reduction of disparities in wealth and economic development among the various regions of the country, and the application of practical investment and incentive programs to this end;
- to the provision of adequate housing at an affordable price to all Canadians, and the application of hundreds of millions of Federal dollars annually to this end;
- to the assurance that future settlement shall not take place in the midst of environmental degradation and the provision of extensive financial and technical assistance for cleaning up the backlog of pollution;
- to the conservation of energy used in urban transportation, in industrial and commercial buildings, and in housing, and the application of practical programs and technical expertise to this end;
- to the guidance of population growth and movement in such a way that it does not overwhelm some localities and strip the lifeblood from others, and the provision of land and community services assistance, planning guidelines, and immigration controls to this end.



In the last connection, it should be noted that the Government has introduced a new Immigration Act, which includes explicit reference to the importance of immigration to the achievement of national and regional demographic goals. Consultations are now underway with the provincial governments concerning their views on and strategies for the allocation of population growth in the future.

The first requirement for the further evolution of our policies in this field is knowledge about what is happening. The Minister is now well advanced in the preparation of an up-to-date view of future settlement trends in Canada, taking particular account of recent demographic, economic and social changes. As you may be aware, the rate of urban growth has declined substantially.

The economic viability of our settlements is a major concern to my Ministry. Our in-depth analysis of municipal fiscal capacity has been continued and strengthened; concerns with the affordability of urban lifestyles, the social and economic consequences of industrial location, and the urban consequences of Federal taxes, subsidies and monetary measures are being pursued as well. All of these concerns reflect the influence of the HABITAT recommendations and will carry them forward from a Canadian perspective.



The Urban Ministry has been accused in the past of being concerned only with the problems of our largest centres. As part of its reorganization in the period immediately following HABITAT, the Ministry of State for Urban Affairs created a new directorate solely concerned with the fate of medium and smaller settlements and their surrounding areas. The major concerns of the Ministry include the examination of how jobs and lifestyle opportunities can be broadened in smaller settlements, of the role played by transportation and access to markets in increasing smaller centre viability, and of the ways in which the provision of housing and community amenities and services can be improved in these centres.

The Federal government has a Rural and Native Housing Program operated with the provinces. This program is intended to ensure that the special housing needs of scattered populations in the rural and hinterland areas of the country are met. In particular, it is addressed to the problems faced by native people ... Métis and Non-Status Indians, who have suffered in the past from being neither eligible for benefits under the Indian Act nor reachable by conventional programs.

Program activity began to accelerate in 1976, but basic problems of program delivery remain, chiefly because both an industry and supporting community services are lacking in many areas. In the past year, \$46.5 million was committed for 1,835 new units and \$11.7 million for 3,372 rehabilitated units under this program.

In order to increase the chances of achieving the target by early in the next decade, an evaluation of program delivery problems was launched early this year, in close consultation with the native people and administering agencies. It is hoped that the recommendations produced by the evaluation will result in a more rapid but still sensitive rate of local production.

In choosing land as a major topic for your Conference you have paralleled our own views ... Land is the first priority concern of the Ministry of State for Urban Affairs. Specific aspects of this concern to receive attention in 1977 are: land costs and prices and the supply of serviced land for urban development; the costs and standards of servicing used for development of land; and the consequences of urban sprawl.

HABITAT contributed to a wide-ranging Canadian debate on the subject of land profits, the reasons for them, and the public actions which might be taken in regard to them and to their causes.

While the Federal government has been given unrestricted taxation powers under the Canadian constitution, by convention, the taxation of real property has been left to the provinces and to the municipal administrations for which they have overall responsibility.

A number of studies undertaken in Canada prior to HABITAT proposed a "betterment levy" or some other means for capturing the unearned increment in land values. Federal taxes on the profits of development corporations do in part recapture such gains. However, economists hold that unearned gains in land values are merely a symptom of supply problems and/or monopoly land ownership.

As a direct result of HABITAT, and in order to secure a clear picture of the whole subject area, the then Minister of State for Urban Affairs called a Federal/Provincial meeting of ministers. A joint Task Force on the Supply and Price of Serviced Residential Land was established in the autumn of 1976, with an independent chairman.

The terms of reference for this Task Force as you are aware include the examination of:

- the proportion of the total cost of housing formed by the cost of serviced land;
- the component parts of serviced land prices (including profits);

- the factors causing escalation of serviced land prices.

It is anticipated that this Task Force will report on its findings by the end of this summer. The Federal and provincial governments will decide on appropriate courses of action at that time. I am sure that those organizations represented here will wish to digest the findings and comment fully on them to the level of government most concerned.

One major policy instrument in regard to land is, of course, public ownership and development. The Federal and provincial governments have been using this for over twenty years. In recognition of the growing problem of serviced land supply, the Federal government committed itself in 1973 to providing \$100 million a year for five years to purchase additional land in urbanizing regions for development purposes. By the end of 1976, the total amount assembled either by the provincial governments with Federal loans or by a Federal/provincial partnership was over 64,000 acres.

This land is used for planned urban expansion, on a "non-profit" principle as far as the public agencies are concerned: all profits from sale or leasing are put back into the development where they were generated to purchase improved services and



amenities; this non-profit principle is intended to reduce the municipal reluctance to accept new growth by reducing the tax burden of this growth on the existing resident.

But public land ownership is not the only appropriate tool for encouraging the provision of serviced land at a reasonable price. Beginning in 1976, the Federal government offered Municipal Incentive Grants of \$1,000 per unit of medium density housing of modest cost approved by Canadian municipalities. Housing production last year contained 54% more row housing units, the most common form of medium density housing.

By means of public land assemblies, publicly financed demonstration projects and incentive grants, the overall pattern of residential development of Canada is being shifted toward one which conserves land, conserves energy, and provides affordable, socially acceptable accommodation. 1976 seems to have marked the turning point in this process.

In 1976 and early 1977, the Central Mortgage and Housing Corporation got underway, in several centres across Canada, demonstration projects which show how land in urban areas can be developed in a way that recognizes the relative scarcity of our land resources. These projects will offer affordable, practical solutions to the problem of land conservation.



Throughout 1976, the Federal government via CMHC has conducted a comprehensive land mapping program in the twenty-three major urban regions. When completed these maps will contribute to more effective public measures to guide the process of land development in the public interest. I am pleased to say that the public will have access to detailed data produced by this program.

The land issue is most relevant to new development. But one of the most critical concerns of the Ministry of State for Urban Affairs is also the quality of life in the urban environment. It is recognized by the Federal government that quality of life is built up slowly, with many contributions from a variety of sources. It is a fragile thing easily destroyed by too rapid development or growth that is out of human scale.

In 1973, the Federal government along with the provinces abandoned the so-called "bulldozer approach" to urban renewal -- the large-scale redevelopment of existing residential areas. This was replaced by the Neighbourhood Improvement Program and a Residential Rehabilitation Assistance Program.

By the end of 1976, 327 neighbourhoods had been chosen, 99 of them in the past year itself. This program, which emphasizes conservation of the existing social and physical fabric,

has been well received across Canada. It is now being evaluated in consultation with all those affected.

For 1977 an even greater emphasis is being given to Residential Rehabilitation Assistance with \$107 million going for this purpose.

The existing housing stock is also a major target for our energy conservation efforts. You may know that as part of the follow-up to HABITAT, Canada is hosting a seminar on the "Impact of Energy Considerations in the Planning and Development of Human Settlements" to be held in Ottawa in October of 1977. This seminar, in which some thirty-five countries are expected to participate, will be held under the auspices of the United Nations Economic Commission for Europe. Canadian preparations for the seminar, including demonstration projects, a tour, and an exposition are all progressing satisfactorily.

During 1976, and in particular after HABITAT, fresh government policies and programs to encourage energy conservation and to develop economically viable alternatives to conventional energy sources have been implemented.

In the autumn, a major public information program on the need to insulate homes was carried out by the Federal government, based on a booklet called "Keeping the Heat In".

At the end of the year, the Minister of Energy, Mines and Resources and the Minister of State for Urban Affairs announced a \$75 million program of energy conservation projects in Prince Edward Island and Nova Scotia, the two provinces hardest hit by the rise in world oil prices.

These projects include:

- the operation of a Home Insulation Program, which offers grants to individual residential property owners for the purchase of insulation materials and labour;
- the provision of support to the Prince Edward Island Institute of Man and Resources, which will advance the renewable energy option on the Island;
- the implementation of various industrial conservation measures, including energy audits, etc.

The Ark, an experimental residence in Prince Edward Island has been completed and was opened by the Prime Minister; this complex gains its energy from the wind and sun and grows much of the food for its inhabitants in a limited space. Solar and other energy experiments across the country were completed and put into operation.

The emphasis given to "low impact" technologies at HABITAT was reflected in the Federal decision to make renewable energy the number one research and development priority for 1977-78, and to establish an Office of Renewable Energy within the Department of Energy, Mines and Resources.

New, higher thermal efficiency standards for buildings were drafted by the end of the year, and are currently being examined by a committee composed of the various interests and technical experts affected.

Targets for improving the fuel economy of Canada's chief mode of urban transportation, the automobile, are now being addressed by the manufacturers and importers; by 1980, all will have to meet sales-weighted figures of 24 miles per gallon; this will increase to 35 miles per gallon by 1985.

Energy and transportation are only two of the most important parts of settlement "infrastructure". Another is water. Canada took a very active part in the discussion of the water target at HABITAT. Immediately after the Conference, a Canadian target of 1980 for a reliable source of drinkable water in all communities was put forward. An inventory of water and sewage treatment facilities was conducted throughout 1976. An extensive survey of specific water supply problem areas is



now being initiated so that all of those concerned will know precisely what remains to be done.

Beginning in 1976, the Federal government offered financial assistance for the construction of trunk water mains and treatment facilities for the first time. A 50% increase in the funds expended on construction of filtration plants occurred during the past year. During the year of HABITAT, \$303 million in Federal funds was committed to sewer and water projects.

While Canada's water supply situation is generally very good, as described at Mar del Plata (Argentina), however, as in many other countries there are still regions and communities of significant size which discharge raw sewage into rivers and lakes. Hundreds of millions have been expended on treatment plants over the past twenty years, but some important problem areas remain. I am confident that all governments working together can resolve this problem within the next decade.

I have saved for the last my remarks on the subject that is perhaps of greatest interest to you... public participation. The present Government of Canada has made extensive efforts to encourage the active involvement of all groups in society,



in particular groups which previously felt excluded from the mainstream of Canadian life.

The field of settlements policy, planning, and programs alone provides numerous concrete examples of this thrust:

- the Neighbourhood Improvement Program provides specifically for resident participation in the planning and development of their communities; neighbourhood committees have been formed in hundreds of areas across the country for this purpose;
- the Community Resource Organization Program provides financial assistance to groups with skills to offer citizens in the housing and planning process: architects, organizers, etc.;
- the Start-up Program offers "front end" financing for cooperative and non-profit projects to facilitate user participation in planning and design and to help get community-generated projects going.

In addition to these regular programs, hundreds of thousands of dollars are donated annually by the Federal government to national and provincial organizations which can comment on and give informed criticism of government housing and settlements policies. These include, for example, the Canadian

Council on Social Development, the Community Planning Association of Canada, and the Institute of Urban Studies.

A particular emphasis has been placed in bringing the native Canadians more effectively into the decision process, in housing and other fields. Federal money, advice, and expertise have been devoted to this end over the past seven years, with the result that native groups now operate many of their own housing programs and contribute effectively to a continuing dialogue on their needs and aspirations.

Other, smaller initiatives, including tenant management of public housing, tenant participation in design experiments, etc. have rounded out a picture of active public involvement in the full range of built environment decisions.

You will be asking both at this Conference and subsequently what you can do to participate in the long term "follow-up" to HABITAT, which is to say, the entire range of settlements policies, plans, and projects. I would like to suggest as a priority that you become fully aware of and involved in the work of your provincial governments and local administrations.

Many of the most critical decisions are made at that level in particular the ones which affect the daily lives of individual inhabitants.

At the Federal level, I believe I have demonstrated our serious and practical commitment to improving Canada's settlements. Policy decisions must rest with those who are elected to carry such responsibilities. We are, of course, always interested to learn from the non-governmental organizations what you believe to be the most critical issues and areas for advancement.

In conclusion, I hope that the rest of your debate is beneficial and that you will all return to your communities with a renewed interest in settlements issues and answers.



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e Honourable  
dré Ouellet

Discours de  
l'honorable  
André Ouellet

Minister of State  
Urban Affairs

ministre d'État  
chargé des Affaires urbaines

se: May 18, 1977

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Annual Meeting  
CANADIAN FEDERATION OF MUNICIPALITIES  
Toronto, Ontario

May 18, 1977







It is indeed a pleasure to be here today. This represents the first opportunity that I have had to meet and talk with many of you since becoming Minister of State for Urban Affairs. I have had the opportunity to meet with others of you over the past eight months and I would like to tell you how much I have enjoyed this. It is with a sense of hopeful anticipation, of promise, and a commitment to hard work, that I look forward to working with you in the future.

Let me state at the outset that the case for municipal fiscal reform, developed by the Canadian Federation of Municipalities, has reached a sympathetic ear. I am deeply concerned about the high level of taxes - of all kinds - that the individual Canadian pays to school boards, municipal, provincial and federal governments. To this end, I stand prepared to press for meaningful reform of the municipal finance situation.

What I would like to do today is outline the way that I see the municipal finance problem. By doing this, I hope that I, for my part, might make a positive contribution to the debate in much the same way that this organization has already done.

We must start from the position that what we are really talking about is the well-being of individual Canadians. It is, after all, individual Canadians who receive public services and who pay the taxes for them.

We must not focus solely on financial flows between governments. The real concern is the quantity and quality of services which Canadians receive, the taxes that they pay to receive these services and their ability to pay the taxes which are imposed. We must recognize that we are all accountable to the citizens of Canada and that we, as elected officials, must be aware and responsive to their concerns. Canadians, for their part, must recognize that public services bring with them an attendant need for revenues to pay for the services demanded. This link between the accountability of governments to their electorates and the concerns and demands of the electorate must be maintained.

To me, fiscal imbalance signifies a situation in which a specific government encounters relative difficulty in raising revenues sufficient to discharge its expenditure responsibilities. Underlying this concept is the notion that, over time all governments should be able to meet their expenditure requirements without persistent deficits or surpluses; without difficulty in repaying outstanding debt; without impairing their ability to raise additional debt at competitive rates; and, without imposing an undue tax burden on members of their community.

For my part, I am concerned that municipal governments are not equally capable of providing adequate levels of local public services. This, in turn, means that Canadians living within financially poor jurisdictions are caught in a situation where they either receive fewer services or face higher tax burdens than do other Canadians. It is the mismatching of re-

sources and needs for specific municipal governments which I find to be the most challenging aspect of the municipal finance problem.

It is necessary that we recognize that variety in municipal fiscal circumstances is more likely to be the case than is similarity. I am impressed with the fact that there appears to be substantial variation in the fiscal health of Canadian municipalities. There exist many municipalities in Canada which are not well off. These are unable to provide their citizens with adequate levels of local services and they are unable to raise, with comparative ease, the revenues needed to provide these services without imposing a heavy tax burden on their electorates. On the other hand, there are also many municipalities which provide adequate levels of local public services to their electorates without placing an extra heavy tax burden on their residents.

Because of this concern, because it is too easy to treat all municipal governments as if they were in poor fiscal health, I think it is incumbent upon us to develop measures of the municipal services available to Canadians and the tax burden which municipal governments have to impose to raise the revenues needed to pay for these services. I applaud your efforts in this regard. I think that you have made an excellent start along these lines. It is you, the local elected officials, who best know, after all, the fiscal circumstances of your municipality. I would like to suggest certain other indicators, means to complement those which

you have developed and to help us more completely determine the situation faced by municipal governments in Canada.

The questions which arise in examining the fiscal well-being of a specific unit of government relate to the relative ability to raise revenues as measured by tax burdens and debt loads and the relative quantity and quality of public services offered. When one examines the burden that property tax payments make on the incomes of Canadians, one finds that residents of some municipalities are paying two or three times the proportion of their incomes for local public services than are residents of other municipalities. One also finds that the claim which municipal governments have to make on the incomes of their residents is related to size and rate of growth of the municipality.

The claim that debt service charges make on municipal revenues also shows considerable variation. Again, there exist many municipalities which are carrying debt charges, including principal repayments, in excess of 20 per cent of their current revenues. On the other hand, there are also a large number of municipalities where debt charges account for less than 10 per cent of current revenues. This implies that some municipalities are in a much more advantageous position than others when it comes to raising new debt to finance capital expenditures.

Differences across municipalities in expenditures per capita are also marked. Higher expenditures per capita are



related to the size of the municipality and its rate of growth. This is consistent with the point of view that the cost of provision of services is higher in larger centres and that these municipalities must provide a larger range of public services.

I also think that the property tax can be a serious constraint on municipal governments. If there was no variation in property tax rates, the property tax would be a good tax, as was pointed out in the Report of the Tri-Level Task Force on Public Finance. Uniformity of property tax is obviously not the case in Canada. It is this variation in property tax burdens, caused by differences in the tax capacity of municipalities and in the ability of Canadians to pay property taxes, which is of concern to me. It is these aspects of the property tax which I think serve to reduce the ability of certain municipal governments to raise the revenues necessary to provide adequate levels of public services to their electorates.

If a municipality levies a residential property tax at above average rates, the cost of shelter services will be higher in that community relative to the price in other communities. If a community levies a higher than average non-residential property tax, investments in factory buildings and other assets subject to the property tax will be less profitable than elsewhere. This serves to make the community a less attractive place to locate. Thus, some municipal governments might be caught in a double-edged trap: the ability to provide adequate levels of local public services at the cost of a very high tax burden. This, in turn, may

lead to declining growth in their tax base, making it more difficult to provide adequate levels of public services.

Municipal governments are not financially equal because economic circumstances are such that certain cities have lower taxable capacities than others. What is of major concern to me is that Canadians living in communities with low taxable capacities find that their access to community facilities and the quality of their community and neighbourhood can only be met with tax burdens significantly greater than those faced by other Canadians.

This situation contradicts the basic aims of social justice which I consider to be fundamental to the Canadian Federation. It serves to highlight local and regional differences, not in needs or in demands for local public services, for I think all Canadians are concerned about the quality of their community and their neighbourhood, but in economic and social well-being.

This variation in the fiscal ability of municipal government is of direct concern to me because it carries with it significant implications for federal programming. Certain federal programs such as the municipal infrastructure program and the neighbourhood improvement program, both of which fall within my portfolio, are provided on a conditional grant basis. When conditional grants are of a flat rate variety, poorer and smaller municipalities do not have an equal chance to take up these programs. Poorer municipalities may have to forego the assistance or to reallocate local resources in favour of the federal programs or to increase taxes which already impose a heavy burden on taxpayers.

By contrast, richer municipalities have less difficulty arranging for the conditions necessary in order to take advantage of such programs.

I recognize that individual Canadians living in different municipalities face different conditions and have different requirements. I also accept the point of view that certain existing federal urban-related programs are not as flexible as they might be in responding to these differences in conditions and requirements. Further, I clearly recognize, and accept, the primacy of provincial and municipal governments in urban planning.

When my Ministry was first established, there was a great deal of concern that if past trends continued, Canada's population would be concentrated in Montreal, Toronto and Vancouver. It now seems, however, that this view will have to be revised. The proportion of Canada's population in Census Metropolitan Areas appears to have levelled off; growth that was to occur in these areas appears to be occurring instead in medium and smaller centres; and, the process of rural-urban migration appears to have peaked.

These developments have begun to result in a shift from the sole concern with urban growth and its pattern to a recognition of, and concern with, the need to consolidate and preserve present communities and social infrastructure. This shift is perhaps most visible in the growing recognition which all governments are beginning to develop for small and medium sized communities. It is this recognition which, in part, prompts me to say that federal

programming must be more flexible and responsive. I recognize and accept that while urban transit and levels of pollution are important problems for large cities, they are not of equal importance to small cities. Small municipalities have a different set of concerns--concern regarding main street vitality, community and recreational facilities, senior citizens' homes, and management training programs and exchanges.

As I stated in the beginning, I am prepared to press for fiscal reform with my federal and provincial colleagues to correct the unevenness of taxing capacity at the municipal level. This case must be articulated as well and as strongly as possible if it is to convince those who have serious reservations.

As an immediate action, it is my intention to ensure that federal programs will be better able to respond to the needs and concerns of Canadians living in all types of municipalities, large and small, rural and urban, and that federal programs will be more flexible in taking account of the fiscal circumstances of municipalities.

Also, given the way I perceive the problem, I am prepared to consider any reasonable suggestion to bring forward a reform of the municipal finance situation. For example, while in Alberta in February 1977, I raised three possible avenues to assist cities to keep pace with providing adequate municipal services. These three propositions were:



- 1) increasing federal assistance programs for such projects as home rehabilitation, neighbourhood improvement and sewage treatment;
- 2) transferring funds to the provinces under the condition that the money be passed along to municipalities; and
- 3) establishing a direct tax rebate system to reimburse Canadians for some of the heavy tax load they now bear.

It is premature to predict at this moment what the federal government may be able to do respecting the fiscal problem being encountered by some municipalities. Nevertheless, we are pre-occupied with the financial problems facing municipalities, and we hope to find an adequate solution that would put those municipalities facing the most serious financial problems on an equal footing with other municipalities.

I am prepared to attend and participate fully in a discussion on public finance, in any appropriate form. We would then present our viewpoint on the problem and suggest how to overcome those aspects of the problem which are of our concern.

My purpose today has been to outline the way in which I see the problem -- to make a positive contribution in much the same way as you have already done. I thank you for this opportunity, and I look forward to working with you on this and other matters in the future.





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Address by Jean-Robert Gauthier, M.P.  
Parliamentary Secretary to  
The Honorable André Ouellet,  
Minister of State for Urban Affairs  
to the  
Joint National Annual Congress of Engineering  
Jasper Park Lodge,  
May 17, 1977



I appreciate this opportunity to speak to you today about a few matters of common concern. It is ironic that in this age of technological and scientific advancement, we are still facing serious problems in some of the most fundamental areas of civilized life -- our settlements, shelter, and the energy to meet the needs of the advanced society that we have created. I'd like to talk to you today about these concerns from the federal point of view, because the nature and the future of our cities, the supply and design of our housing, and the question of energy and public attitudes towards conservation are all matters that fall within the responsibility of the central government, as well as other levels of government, the private sector, and the public generally.

Over the past thirty years Canada's population has almost doubled. This circumstance has meant a great deal to this country, not only in terms of economic growth, but in cultural enrichment as well, for much of the population gain has been due to newcomers from just about every part of the world.

But the population explosion has produced problems, particularly since people have flocked to Canadian cities at an unprecedented rate. More than that, the mass of this urban inundation of both immigrants and migrants from rural areas over this thirty-year period has been to three major areas -- Toronto, Vancouver and Montreal.

The growth of all major Canadian cities has, of course, brought tremendous benefits, such as economic opportunity, higher educational levels, a rich social and cultural life, a diversity of life styles, good restaurants and shops, and many other advantages.

But too-rapid urban growth has been costly. It produced sprawling suburbs, traffic-choked streets, decaying urban centres, sharply rising municipal costs, inflated land and housing costs, social tensions, and many other unwelcome changes.



It is obvious that if future urban growth within Canada is to be fully beneficial, we must manage its pace and direction in order to achieve a more balanced population dispersal.

But if Canadians are to choose between living in the major cities or in smaller centres, there must be reasonably equal options. They should not be required to choose between a rich and rewarding city life on the one hand or, on the other, a less fulfilling life in a small centre, with fewer opportunities for economic and social development.

Fortunately, our options in Canada are still largely open. With proper planning at all three levels of government, working in concert and in co-operation with the private sector, we can ensure that Canadians do have a valid choice for a rewarding life in small and medium-sized urban centres, as well as in large metropolitan areas.

The federal government has an important influence on urban Canada by virtue of the broad responsibilities that fall within federal jurisdiction. Every policy and program originating at the federal level in such areas as housing, transportation, immigration, economic assistance and others is ultimately felt at the community and neighborhood level.

This means that we at the federal level, as well as our provincial counterparts, must take into account local needs, problems and priorities while dealing with the broader context. It is vital that the three levels of government work closely together to find the most practical solutions to the problems of urbanization and concentration.

We have made important strides in that direction during the past few years through national tri-level conferences as well as bi- and tri-level committees at the regional and provincial levels. One of the important objectives is to encourage management of municipal growth so that our urban centres keep the qualities that make them attractive, and avoid the casual or accidental type of development that can have tragic consequences.

Twenty-five years ago, it appeared that the "big three" would grow at a much greater rate than any other cities in the country. There was then great concern that our three largest cities would become totally unmanageable, while many smaller centres would wither and die.

It was feared that regional economic disparities would be accentuated, and political power would be concentrated to an unworkable degree in the dominant provinces.

But trend projections proceeding from known facts to logical assumptions are not always accurate, as all of us know. The future is never "surprise-free". Projections are always subject to accidents of nature, unforeseen events, new technology and many other forces that can have a profound effect on the future.

But a more important consideration, at least at this time, is that we do not have to accept the trends unless we want to do so. After all, the trends are largely a reflection of past public policies and the ways in which they have been applied. Within limits, these trends can be shifted by new policies, or by the same policies applied differently.

There are a number of federal levers that can be used to support new goals reflecting new values. Among these are policies on housing, immigration, finance and economics, transportation and industry, regional development, and many others. These can provide strong support to provincial and metropolitan growth strategies to improve the quality of the urban environment.

The provinces also have levers to shape trends and influence growth within their own jurisdictions, as have their municipalities. Used together, these instruments can be influential in reaching agreed objectives.

I referred earlier to the concern of twenty-five years ago that our three largest cities would continue to grow at the expense of other regions in Canada. These cities have shown healthy growth, of course, but the trend in recent years has shifted.

For example, the outward flow of Maritimers to other parts of Canada has reversed itself. Now, New Brunswick and Prince Edward Island are two of the five fastest-growing provinces in Canada. In Saskatchewan, too, the most recent estimates show that the population is no longer decreasing. Apparently, the oil and potash industries combined with a stable agricultural environment are providing the jobs to keep people home.

Since 1951, the tempo of urbanization in Canada has decelerated, and during the past five years it has even reversed. The tendency is towards a higher rate of growth for the total population as compared to cities of more than 100,000 in population.

Today, the proportion of our population within large cities, known technically as Census Metropolitan Areas, seems to have stabilized at about 55 per cent.



Provincially, during the past five years, Vancouver's proportion of the population in British Columbia has declined, as has Montreal in relation to Quebec's population. Toronto's population, however, has remained fairly stable as a proportion of total Ontario population.

There are undoubtedly a number of reasons why the trends of yesterday are moderating now. In some cases, the direct intervention of the federal government through its Regional Economic Expansion Program has helped create new industry and new jobs in depressed areas.

There is, too, a more equitable distribution of income among regions, through such instruments as transfer payments to "have not" provinces, old age pensions, family allowances, unemployment insurance and other programs. It is suspected that even television has contributed, through lessening the sense of isolation in some communities.

A new awareness, bringing with it changing values, is probably another factor. More and more people who are accustomed to living in large cities find that they want a less frenetic lifestyle, and move to smaller, more tranquil areas.

Around Toronto, for example, there has been in recent years a quiet exodus to nearby smaller centres, such as Barrie, Guelph and Markham. And in British Columbia, it appears that people are now less attracted to Vancouver than to the interior.



The migration from rural to urban centres has come almost to a standstill as farm life becomes more rewarding and rural isolation declines. The migration from moderately sized urban areas to large cities has slowed considerably, and may even be reversed within the next few years.

All of this does not constitute a dramatic change in population trends, but it is showing salutary results. Even a drastic change might not reduce the population of our three major cities to a great degree on a percentage basis, but the sheer numbers involved can greatly strengthen the base of cities of intermediate size.

Our objective, broadly put, is to see a more balanced distribution of population across Canada with more equal economic opportunities and a wider choice of lifestyles. This would constitute a reversal of the trend of the last several decades, but, as I have pointed out, there are many solid indications that this reversal is already underway.

Housing and urban strategies are, of course, closely linked, and there are anticipated changes in housing needs between now and the end of the century that must be accommodated in our plans.

Twenty-five years from now, just after the turn of the century, the physical environment of our cities will probably be much the same as today. Some new settlements will undoubtedly be built, but by and large the urban centres we have today will be the same centres as we will have tomorrow.

The projected 30-million people living in Canada at that time will need about ten-and-a-half million living units. Seven million of those units have already been built. The remainder should, for the most part, be built with future housing needs in mind.

For example, projections show that our population is aging and will likely continue to do so. We will, then, need more housing designed for adults and the elderly, and less child-oriented, than housing built in recent years.

After about 1985, we will need fewer new housing starts each year to accommodate the population growth, and, in line with settlement expectations, the demand for new housing is expected to be more and more in smaller centres than in the past.

Households will be smaller, and there will be more non-family households for a number of reasons, including longer life-spans and the growing tendency of young people to leave home at an earlier age.

The energy situation demands that new dwelling units in future be energy efficient in the use of materials, insulation procedures and in design. More compact forms of housing are obviously called for.

Federal policy, through Central Mortgage and Housing Corporation, will be increasingly directed towards these ends:

- To encourage the construction of compact, energy-efficient dwellings, and improve the thermal efficiency of all dwellings;
- To give increased emphasis to the modernization and repair of existing stock;
- To focus less on new production as a technique of economic stimulation, and more on ensuring adequate social and geographic distribution;
- And finally, to discourage urban sprawl and promote more efficient planning and management of urban space.

To a significant extent, these policies are part of the housing picture today. In large urban areas across Canada, the reality of this decade is that traditional housing is outside the economic grasp of most moderate-income families. I don't mean families with incomes below the norm in their area.

I'm talking about families with a respectable income that in other days would have made them excellent prospects for the traditional single-family home set on its own lot.

In Canada, we have enjoyed this privilege longer than in most other countries. The detached home with front and back lawn is not obsolete, by any means, but in larger urban areas it is often too heavy a financial burden for the average income-earner to carry.

The new reality is not unattractive. It is not a "bite the bullet" option. Builders have been encouraged by CMHC to concentrate on producing good, sound, attractive housing at prices that people can afford.

CMHC programs have done much not only to stimulate construction of affordable housing, but in assisting people in buying homes. Through the Assisted Home Ownership Program, for example, a deferred-interest and delayed-repayment loan allows people to buy a home today on future income expectations. The home must, of course, fall within reasonable price maximums which vary from region to region according to local market levels.

The Assisted Rental Program, with similar provisions for builders, encourages the construction of rental accommodation that people can afford. In addition, municipalities across



Canada are given incentives to encourage the building of housing that is moderate both in price and in density. The incentive is in the form of a thousand dollar grant for each unit of new, moderately priced housing within densities of from ten to forty-five units to the acre.

These programs have proven to be highly successful, and were responsible to an important extent in the record residential building level that we reached last year.

As I mentioned a moment ago, the houses produced in urban areas that fell within the price limits of these programs were not unattractive. Far from it. But in most cases they were not traditional housing in the sense of a detached home, with plenty of extras, on its own substantial lot.

They were clustered town houses, semi-detached houses, and row housing or apartment units for condominium ownership. They were attractive, compact and practical, and they satisfied buyers.

There are distinct advantages to such housing, which is expected to become more and more common. Housing of this sort allows people to live in the centre of things. It minimizes the encroachment on agricultural land as well as the costs for new services, such as roads, sewers, schools and other facilities. Because much of it is built within



the city proper, it enables people to live close to shopping and recreational facilities, and in many cases to their work.

All of this makes immense sense when we realize that our energy resources are not infinite and that dependence on the car as a convenient means of transportation is both expensive and wasteful of energy. Well-designed compact housing is cost-efficient, it conserves land and energy, and it helps to retain community character by concentrating community population without the discomfort of over-crowding.

As the energy squeeze becomes tighter, housing of this type becomes more and more important. All of us know that we cannot expect to use energy in the next twenty years as we have in the past twenty, and we cannot expect to rely on the same energy sources for the next fifty years as we have in the past half-century.

We are building for this future now, but I think that a lot of people are going to need a lot of education and persuasion before they fully accept the new reality produced by dwindling supplies of non-renewable energy.

People have become accustomed to many privileges that they now consider rights. They have become accustomed to the idea of a detached house on its own lot, although that perception is changing. They have become accustomed to and feel they have the right to the use of their cars

to get from home to work, and to park it all day -- without charge, if possible. They accept, perhaps without thought, other privileges as rights -- to use and depend on a wide variety of products derived from petroleum, to generate more and more garbage, to expect constant and uninterrupted electrical power and light.

More than that, our cities are divided into separate places for home, shopping, office, and industry, generally arranged so that there is no possible economic arrangement of public transportation, but this is the arrangement people expect, because it seems to them to be logical and convenient.

It has been said that each of these privileges is now, or is well on its way to becoming an anti-social activity.

Sometime in the future, and not too-distant a future, Canadians as well as people in other developed nations are going to have to face a different way of life -- a life-style that will not accommodate many of the privileges they now regard as normal rights.

Obviously, sacrifices are going to be required, on an individual basis and on a national basis. The cynic might say that people are too selfish to make the necessary sacrifices. The realist would reply that people are too selfish not to make them.

I would say that the realist is closer to the truth, for self-interest is becoming a matter of conservation. If we don't learn to use energy wisely, we may well run out of adequate supplies before advancing technology can find alternatives.

The concern felt everywhere for the energy situation is demonstrated in plans for an international seminar on habitat and energy, to be held in Ottawa next October. More than 140 specialists from Europe and North America will discuss the impact of energy on the planning and development of human settlements.

The seminar is sponsored by the United Nations Economic Commission for Europe, and was proposed by Canada as a logical follow-up to Habitat, the U.N. Conference on Human Settlements held in Vancouver last year.

The seminar will deal with a wide range of matters connected with human settlements and energy, including urban densities, transportation and environmental impact. International support for this seminar indicates the serious concern everywhere about the problem of dwindling energy supplies and future directions leading to the most practical, efficient solutions.

Continuing Canadian concern is expressed, in part, at least, through the role of CMHC in researching and demonstrating new approaches.

In collaboration with the National Research Council, for example, CMHC has developed the idea of a solar mini-utility to the point of embarking on a test program. The mini-utility is, in effect, a central collector and storage unit of the sun's heat for distribution to a group of homes. Its potential is to make available all heating requirements for space and water all-year-round in the settled areas of Canada.

One of the most important advantages to this approach is that it is not confined to new homes, nor is it an expensive addition to existing homes. It can be put in place in a convenient location to serve the needs of homes in the area, without the need for expensive alterations.

Many of you will likely have heard of CMHC's CANWEL process, through which purified water is produced from domestic garbage. A further development of the CANWEL process is to generate enough heat for 80 per cent of the domestic hot water requirements of 1,000 people in a single building. This process has been developed through the Ontario Research Foundation, and has excited a great deal of interest around the world.



We are aware of the potential for energy conservation that various NHA programs can have in housing and community development, and CMHC is taking the lead on a number of fronts. One example is a 500-unit community in Charlottetown, Prince Edward Island, which will demonstrate the advantages of clustering homes in medium density projects. Improved standards of building design lead to energy conservation, while the price per unit remains competitive.

Another project is underway at Revelstoke, British Columbia, to show how similar results can be achieved despite harsh climatic conditions.

A special program in Nova Scotia and Prince Edward Island provides financial assistance to people who wish to insulate their homes in that area of extremely high energy costs. Savings are expected to be substantial.

One of the most popular of current CMHC initiatives is the Residential Rehabilitation Assistance Program, which gives financial assistance to people who live in older homes and wish to bring them up to acceptable standards of health and safety. An important by-product is, of course, more thermally efficient dwellings.

Energy conservation is, as all of you know, going to be a continuing concern until such time as efficient alternative sources can be developed. The federal government,



through activities that I have briefly touched on, as well as many I have not mentioned, is deeply involved both in energy conservation initiatives and the search for alternative sources.

We are deeply involved, too, in the planning process for urban areas and housing of the future, as I have described.

There are many problems, many uncertainties, and some of our initiatives are experimental in nature. But as Alvin Toffler writes in "Future Shock": "It is more important to be imaginative and insightful than trying to be 100 per cent right".

I don't know of any government that has ever been accused of being 100 per cent right, but I can assure you that we at the federal level will continue to use all the imagination and insight we can muster to help find solutions to the perplexing problems of the most complex period in history.

Solutions are seldom found in isolation, and we must rely always on the expertise and guidance of professionals in a wide variety of fields, such as your own. That assistance has always been forthcoming, and I know it will continue to be so.

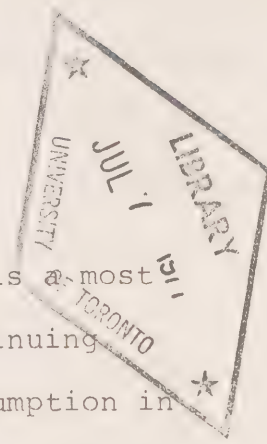
It's easy sometimes to let temporary problems blind us to the important truth that Canada has a lot going for it. We have vast natural wealth, a skilled population, a dynamic private sector, knowledgeable professionals such as yourselves in every discipline, and the opportunity to develop all this potential as we wish.

We are richly endowed. All we have to do is develop a nation and a society within that nation that will truly fulfill its potential.



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Statement by  
The Honorable André Ouellet  
Minister of State for Urban Affairs  
on  
Canadian Home Insulation Program



The Canadian Home Insulation Program is a most important part of the Federal Government's continuing efforts to reduce the rate at which energy consumption in Canada has been increasing. By the year 1985, as has been mentioned already, we hope that the growth rate of energy use can be reduced to zero, and the insulation program is expected to play a key role in meeting that objective.

I'd like to take a few minutes to explain the highlights of this program, which is designed to cover about five million Canadian homes during a seven-year period.

First, the Federal Government will provide a grant of up to \$350 to cover two-thirds of the cost of purchasing insulation materials for attics, walls, basement walls and floors over unheated spaces. All materials must be CMHC-approved.

The \$350 grant is the maximum for owners or tenants of self-contained homes, whether they are detached, semi-detached, or row housing.

The maximum grants allowable under this program decrease for multiple living units such as apartments and hostel or dormitory units. The reason for this is obvious: it is much less expensive to insulate housing units in multiple-dwelling buildings than in detached, semi-detached or row housing.

The program will be implemented across Canada on a step-by-step basis, beginning with older dwellings that are typically the most poorly insulated. In five provinces -- Manitoba, Ontario, Quebec, New Brunswick, and Saskatchewan -- the first houses to be eligible for assistance will be those built before 1921. In the remaining provinces as well as the Northwest Territories and the Yukon, units built before 1941 will be eligible. This requirement will ensure that a comparable percentage of units are eligible in each province.

The qualifying year will be progressively advanced, and we expect that by 1984 all units completed before September of this year will be eligible for the grant.

The insulation program requires the participation of provinces, and I am pleased to report that all provinces support the program in principle and are at this time studying the details of their own participation.



Implementation of the program in any province is conditional upon its agreement to adopt certain energy conservation measures on its own. They must, for example, adopt and implement building codes for new housing that contain thermal efficiency standards that are at least as high as those for new buildings financed under the National Housing Act.

There are certain other measures that provinces must implement or will be asked to consider and these are covered in the material that is available to you. We believe that these are all common-sense measures that will greatly strengthen the federal initiatives in energy conservation.

So far, three provinces -- Newfoundland, New Brunswick and Manitoba -- as well as the Northwest Territories, have met the essential conditions and we hope that during July the other provinces will follow suit.

Two provinces -- Nova Scotia and Prince Edward Island -- are not participating in this new program because they have already received funds for encouraging energy conservation, a large part of which went towards home insulation grants. I am pleased to be able to say that the program has been accepted enthusiastically in both provinces, and is working well.

The Canadian Home Insulation Program has federal funding of \$1.4 billion. We believe that the program can result in a saving that would be equivalent to 50 million barrels of oil a year, and it should cut residential fuel consumption by an average of 37 per cent. These savings will be of vital importance in the over-all energy conservation program.

We expect that the 1977-78 fiscal year of the program will cost about \$45 million.

The program will be operated centrally from Montreal, and will get underway on September 1. Full details of the program will be well publicized as they become known.

The federal grants are expected to assist with the most essential and basic insulation needs. Many home owners will, of course, do much additional work on their own, which will result in even greater savings to them in heat costs. The prime purpose of the grant is to encourage all householders to take the conservation measures necessary to make their homes thermally efficient.

As all of you know, Canada's energy situation is becoming more and more acute. It is essential that we drastically reduce the rate at which energy consumption is increasing, and we are confident that the Canadian

Home Insulation Program is one of the easiest and most cost-effective measures that can be taken to meet the federal conservation objectives.





Address by Mr. Jean-Robert Gauthier, M.P.

Parliamentary Secretary to

Minister of State for Urban Affairs

to

Union of British Columbia Municipalities

Vernon, British Columbia

September 21, 1977





I would like to express my appreciation to the Union of British Columbia Municipalities for the kind invitation to speak at this convention, which is, I understand, the 74th such annual event. This venerable record speaks well for the services you have been able to provide to communities throughout the province, and I wish you continuing success for at least the next 74 years.

I am pleased to know that there is a good working relationship between yourselves and Central Mortgage and Housing Corporation, not only through these conferences, but also through the regular provision of information and data useful to member-communities.

In comparison with UBCM's years of service, CMHC might be considered a mere upstart, but it has nevertheless played a unique and important role over some 32 years in putting federal housing policies and programs into effect.

It has not been easy to meet the diverse housing needs of Canadians from coast to coast during the last three decades of social change and dynamic urban growth. No single, inflexible approach to any of the problems of housing in a rapidly developing society could be uniformly satisfactory, because the vastness of Canada and its changing face from one region to another makes uniformity impossible.

Housing is, as you know, a direct responsibility of the provinces and municipalities, who have their own regional or local plans and priorities. Housing programs produced in Ottawa -- or in a provincial capital, for that matter -- that cannot provide for local problems and local priorities, fail to meet the tests of reality and practicality, and will not be fully useful and effective.

All housing policies, all urban programs, all environmental projects that are conceived and executed by any level of government in this country have their ultimate effect in a municipality -- in the streets where people live. This fundamental fact is the starting point for all planning.

The federal government has a responsibility for the economic health of the whole nation and, more particularly, a responsibility to ensure that all Canadians, no matter where they live, have equal access to the necessities and the amenities of life. In the field of housing, this means that the federal government must make programs available that can be applied effectively to meet the housing needs of people in every community in every part of the country.

This, I am sure you will agree, does not constitute federal interference in provincial or municipal affairs. Rather, it is realistic collaboration to support the housing priorities of other levels of government, and to see that all Canadians, no matter where they live, have equal opportunity to obtain decent, affordable housing to satisfy their individual needs.

We should bear in mind, too, that no municipality is completely autonomous. A significant undertaking in one city or town inevitably has an effect in other municipalities to which it is linked through business transactions, communications, transportation and similar matters. A decision of one municipality to grow, for example can affect growth patterns throughout the region. A new industry, a new housing development, a new land acquisition -- all of these decisions obviously have an effect that often reaches far beyond the borders of a single municipality.

For that reason, it is not possible to say that what goes on in Halifax, Montreal, Toronto, Winnipeg or Vancouver -- and all points in between -- is of no concern to the federal government. It is obviously of federal concern, because the ripple effects can have important national implications.

We are all involved in housing. And we are going to continue to make headway in solving housing and related problems through tri-level co-operation based on mutual respect for each other's interests and points of view. I am most happy to be able to say that excellent working relations have existed for many years between CMHC, provincial governments and, when appropriate, municipal governments. I make the reservation "when appropriate" in relation to municipalities only because, for the most part, CMHC deals through provincial agencies in meeting local requirements.

However, in recent years, important strides have been made in bringing municipalities into the consultative process through national tri-level conference on housing, as well as through regional and provincial tri-level meetings. Among the benefits of these consultations has been significant progress in intergovernmental co-operation in putting specific national programs into effect at the local level.

There are many programs I could refer to in order to emphasize the fact that while housing remains a provincial and municipal responsibility, the federal government is fulfilling its national obligation to assist in every possible area to



ensure that all Canadians, in every part of the country, have equal access to good housing of the kind they require and at a cost they can afford.

The provision of housing is a co-operative and even a collaborative venture between the three levels of government, and I suggest the combined performance in this area provides an excellent example of how confederation works to the advantage of all Canadians.

I don't think I'm overstating the case when I say that over the years, in fulfilling its role, CMHC has become part of the familiar fabric of Canada. It is an institutional presence that encompasses every city, town and village in the country. Wherever people gather in a community, suitable shelter is one of their first needs, and directly or indirectly, the federal housing agency helps to fill that need.

In the early days of this nation, the railway helped to unify a huge, sprawling country by tying together its scattered settlements. Today, CMHC contributes towards the one-ness of Canada by giving all its citizens, from one coast to the other, access to the housing they want, region by region, whether they live in the middle of a crowded city or a remote outpost in the wilderness.

Federal policies have had to be both progressive and responsive to the diversity of special needs that have always existed. This is at the heart of federal policies on shelter -- not just to help provide houses of brick, mortar and wood -- but to help people, particularly people who are unable properly to fend for themselves.

I am referring to people who make up small but important minorities in our society -- the poor, the elderly, the sick, native people and others who are at a disadvantage in a competitive world. These have always been the first concern of a national housing policy, and today we are continuing to meet their needs through a variety of programs that are especially tailored to provide assistance while helping to retain the essential human dignity all people must possess. We don't do it alone, of course. There is an inter-dependence of governments in housing, as in most other important fields, and we work together to ensure that we are responding properly to the needs of people who are most vulnerable.

Obviously, we could not follow this path without the approval of the Canadian people, for the strength of the majority must be employed to help the vulnerable minorities. It is a credit to the people of this country that they so

willingly support the principle that those of us who are blessed with good fortune have a fundamental responsibility towards our fellow-Canadians who need our help, whether temporarily or permanently. Call it a spirit of brotherhood, if you like, but it's there, it can be felt, and it contributes to the greatness of this huge country that sprawls from the Atlantic to the Pacific.

We have collectively been very preoccupied and justifiably so with building and improving our neighborhoods. We have developed flexible programs that fit our national needs and meet our national goals. All levels of Government will continue no doubt to elaborate plans for improving the quality of life of all our neighborhoods.

Yet, we are faced, in Canada today, with a challenge of great importance to us all. The challenge of keeping this country together. Call it national unity or national understanding, I, for one, prefer the term national understanding because I can better grasp its meaning...

To understand each other with all our regional and sectional loyalties, our varying customs and traditions; to understand what this country is all about with two official languages and a multitude of cultures; to understand that there are forces at work to build a better Canada while at

the same time other forces that want to destroy it; therein lies the challenge! There is a threat or a crisis which menaces everything we have learned to love and cherish and that we so dearly want to keep. There is a far greater challenge ahead of us on the road to human brotherhood than we ever had to face before.

I was pleased to read in your Book of Resolutions for this convention, that you will debate Resolution #3 which deals with unity of the Canadian nation and also Resolution #4 on national unity and constitutional reform.

As a French-speaking Canadian, born, raised and educated in Ontario, I was particularly pleased with these resolutions, not only because they deal with questions that have motivated me into politics for the last 15 years, but more importantly because they express a sincere commitment to leadership by a very influential and important group.

People want leadership -- they accept that problems exist -- but they demand clear indications of leadership. You have before you resolutions which could clearly indicate where you stand.

I was reminded recently of an old proverb which says -- Do not trouble trouble till trouble troubles you.



The only way to fight separatism is to make federalism a more attractive option.

History tells us that feelings of separatism were felt long ago in Canada. Lord Durham, one of our British Governors, wrote in his report to England in the early 1800's -- I found two nations warring within the bosom of a single state. (1837). History will tell you that Franco-Ontarians, and there are 500,000 of us in Ontario, had troubles in their fight to obtain the right to live in French in Ontario. They fought against regulations which forbade the use of French in Ontario schools -- they fought to obtain primary and secondary French schools for their children and finally got them in 1968. They are still fighting for their right to use French in the courts of law of Ontario when and where there are sufficient numbers of francophones -- they are asking for permission to draw up in French their wills, their contracts, their mortgages, and other ordinary legal documents. They are asking that essential services such as legal aid, health services, official government communications and documents be available in French -- all things that most of you take for granted -- here in B.C.



I could go on and give you a litany of services such as permits, certificates, notices and requests for information, documents published by the Ontario ministries and government agencies which are not available in French in Ontario. But those requests and concerns, as important as they are, all boil down to one basic principle called equality of opportunity...

I, and nearly a million other French-speaking Canadians living outside Quebec, wish to be an active, respected and wanted part of our country. We are Canadians. It so happens that we speak French in an English-speaking milieu. Wasn't the idea of adopting two official languages, respectful of our individual heritage and traditional features the purpose to create a unified country in the first place? Surely, the game plan is not for French to be spoken only in Quebec and English everywhere else. If it is, I'll have no part of it. I want to feel at home everywhere in Canada. Unity, to me, does not mean uniformity. I am a Canadian and the Canadian society will, like all other societies in the world, be judged by history, by the way it treats its minorities, be they racial, linguistic, social or economic. All Canadians want individual recognition. Minorities want recognition. That phenomenon

of recognition is not particular to minority groups, it is generally seen and expressed by all. Recognition is what municipalities talk about with their provincial authorities; recognition is what provinces talk about with the federal government in their ongoing conferences and negotiations; for that matter, the federal government talks about recognition for all Canadians when it speaks to other countries about our economic potential for trade, our cultural diversity, our respect for human rights and our progressive democracy.

One unique feature about federalism is that it can adapt to circumstances. All minorities fear assimilation. If they do disappear through willful neglect or indifference by the majority, these same majorities will in effect have contributed to separation by attrition.

Separation of this country by attrition will come when no French is spoken outside Quebec and no English is spoken inside Quebec. Minorities, you see, can be treated in two ways. You attack them continuously and by natural defences they will survive or you ignore them completely and that surely will kill them. The Americans could tell you how they got rid of many of their minorities. Maybe

you think I'm dramatizing just a little too much. Bear with me. René Lévesque, the Premier of Quebec, is a well-known separatist. Lord Durham was also a separatist, with a twist. Durham, in his now famous report to England, said about the French Canadians that the only solution to the problem was assimilation and to that effect he proposed a plan. Are francophone minorities outside Quebec the heirs of Lord Durham?

One of the many things that mark us off from the Americans is that we wrote in our constitution, bilingualism and biculturalism. Surely, it was bilingualism and biculturalism as seen in the conditions of the 1860's. The French in Quebec or Lower-Canada had to be free to speak French in the federal government and in the federal courts. They also had to have their records and acts of parliament in French. On the other hand, the very large and deep-rooted English-speaking minority in Quebec had to be able to speak English in the provincial legislature and use it in the provincial courts and to have the records and acts of the legislature in English. All that, in those days, seemed to be fair play and justice.

We've grown as a country and Canadians of both official languages moved about and established their neighborhoods. If they had worked as hard on improving their brotherhood as they have on building their neighborhoods we certainly wouldn't be faced with the same problem facing us today.

Some will tell you that national unity is threatened by the national economic problems or the social unrest caused by disturbing unemployment. I am not here to speak today on these important matters. I want to tell you about what I think is another grave situation facing us and which, if unresolved, could seriously endanger our country.

Evidently, I am speaking about the francophone minorities outside Quebec which are assimilating at a dramatic rate of 27 per cent, at least according to the 1971 Statistics. The trend is clear. The regression of the French-speaking minorities in Canada is a serious problem. Nearly half a million Canadians of French origin do not have French as their mother tongue any longer. This is an almost irreparable loss. French outside Quebec, as a national language, is in the process of being relegated to the level of folklore in at least seven of our 10 provinces. Provincial



bilingualism exists only in two provinces, Quebec and New-Brunswick, although I must admit that Ontario is making some efforts to adapt its policies to this challenge.

Where are we as a federation? Can we adapt to change? Right now, it seems to me, as a member of a linguistic minority, that the majority, be they French in Quebec or English outside Quebec, are reacting to their conscience while the minorities are gathering their punches to wake them up to reality.

Those who are threatened are not at this time absent from this national debate. The minority linguistic groups will wage battle, for they have a country to lose and possibly a country to gain.

The fight will not take place between B.C. and Quebec or between Newfoundland and Quebec or between any other provinces and Quebec; the fight for the minds, the hearts and the allegiance of people will be at the federal level and will most likely rest with the minority groups fighting prejudice, misunderstanding and sometimes downright racism. The only way to fight the breakup of this country is to make federalism a more attractive option than separatism.



The English in Quebec are concerned and actively fighting to preserve their country -- the French in the English provinces have been active and are asking for recognition so that they may live in their country as full-fledged Canadians.

Where are we headed as a federation?

In some sense, history is irrelevant. What counts is now and the future. Those who ignore history, of course, are possibly going to repeat it. Is the Canadian society heaving itself into change? Are we becoming more tolerant of our differences?

Canadians, regardless of their region, cultural roots, class or sex, only ask to be given the possibility of achieving relative equality. A sense of equity, freedom and equality will have to be awakened in Canadians. We can no longer continue to witness like helpless spectators the deterioration of the situation, the tearing to shreds of our national fabric.

English Canada will have to be perceived in its actions as being big enough to deal with francophone groups on an equal footing not based on the balance of numbers.

It will have to be based on a definition of Canadian society tolerant and respectful of minorities whether they are linguistic, cultural, social or economic minorities. You will recall the latest attempts at St. Andrew's in Nova Scotia in August of this year, where the provincial premiers were invited by Mr. Lévesque to negotiate language reciprocity deals. He wanted to barter certain privileges where Canadians moving to Quebec would be allowed to register their children in the English school system of that province in exchange for the assurance that French-speaking parents would have the same right in other provinces where the majority were English.

I am against this bartering between consenting provinces of my rights as a Canadian citizen.

Sure, Lévesque knew he had the upper hand because he has a system of English education and most of the other provinces do not have a system for their French-speaking minorities. It was embarrassing for all Canadians and greatly humiliating for all minorities for they were the ones put on the bargaining bloc as hostages to these dealings.

Fortunately for Canada, Lévesque was turned down. The Prime Minister, Mr. Trudeau, took the initiative in early September to propose to the provinces the only formula which

is acceptable to all Canadians; it is global, universal and just. Mr. Trudeau offered to sit down with the provinces and amend the constitution thereby enshrining minority language rights, as rights not privileges. We will await with some anxiety the response from all the premiers. Assuredly, Lévesque said no, why should he participate in the process of constitutional amendment when in fact what he wants is a divorce, a separation, a break-up with this country and its constitution.

I was heartened to read your Resolution #3 which calls on your province of British Columbia together with Quebec to ensure the reasonable opportunity for educational instruction in either French or English to those who desire it. If all the provinces agreed to this principle you will have made a great step in adapting our federation to our times.

In closing, Mr. Chairman, I believe that our constitution needs to be rejuvenated. In addition to a commitment to federal institutional bilingualism, it should include a declaration of fundamental human rights and liberties. Each province should also adopt a charter which would respect the rights and liberties of its linguistic

minorities and be liberal in their support towards them. I'm a strong believer in the youth option insofar as individual bilingualism is concerned. The opportunity and encouragement should be afforded to all Canadians to learn the second official language. I would like to see some motivation for our youth put into this goal. Universities, at least at the undergraduate level should insist on some knowledge of the second official language. To this date very few do. Happily for us in Ottawa, the University of Ottawa in my riding has such a prerequisite for admission and it works beautifully. A simple test is given to all applicants, and if they pass it, they are exempt from the course in the second language. In closing, Mr. Chairman, let me again thank you for the kind invitation to come here today and give you the views of a backbencher from Eastern Canada which strongly believes that this country will survive stronger and healthier from this national test that we are presently undergoing.

John F. Kennedy, in his Presidential Inaugural address, said it beautifully when he said:

"Let us begin anew, remembering on both sides that civility is not a sign of weakness, and sincerity is always subject to proof. Let us never negotiate out of fear. But let us never fear to negotiate."

Although in a somewhat different context -- that of world peace -- the late Prime Minister Louis St. Laurent expressed a thought in Prince Rupert just 25 years ago this month, that I believe is just as valid today in terms of national unity. He said:

"We will never have real peace until the whole world becomes one large, good neighborhood in which all men and women respect the rights of others and work together for the common good... and we must remember that all men... are our neighbors."

I don't think I can do better than to leave you with these thoughts.





# Remarks by the Honourable André Ouellet

# Discours de l'honorable André Ouellet

Minister of State  
for Urban Affairs

ministre d'Etat  
chargé des Affaires urbaines

Class:

A publier:

Check against delivery

Prière de vérifier avant de publier

Property Forum, 1977

Toronto

November 2, 1977





MR. CHAIRMAN:

I AM VERY PLEASED TO HAVE THE OPPORTUNITY OF TAKING PART IN THIS FORUM AND I BELIEVE THAT THE MACLEAN-HUNTER ORGANIZATION PERFORMS A VALUABLE PUBLIC SERVICE IN PROVIDING A PLATFORM WHERE WE CAN EXCHANGE KNOWLEDGE AND EXPERIENCE, EACH FROM OUR PARTICULAR POINT OF VIEW.

THE GOVERNMENT OF CANADA IS NOT IN THE BUSINESS OF CONSTRUCTING HOUSES OR APARTMENT BUILDINGS. WE ARE NECESSARILY -- AND I HOPE USEFULLY -- INVOLVED IN HOUSING IN A NUMBER OF HELPFUL WAYS BUT I DON'T HAVE ANY CARPENTERS, OR BRICKLAYERS, OR PLUMBERS, ON MY STAFF. WHEN HOUSING GETS BUILT -- AND THAT INCLUDES PUBLIC HOUSING AND HOUSING FOR NON-PROFIT ORGANIZATIONS -- IT IS ACTUALLY BUILT BY PRIVATE BUSINESS, WITHIN A FREE AND COMPETITIVE MARKET ECONOMY. I PERSONALLY BELIEVE THAT IS THE BEST WAY, THE MOST EFFICIENT WAY, THE MOST ECONOMICAL WAY, TO GET THINGS DONE, IN THE BEST INTEREST OF THE PEOPLE OF CANADA.

.../2

WE, AS A GOVERNMENT, HAVE A COMMITMENT TO THE PEOPLE OF CANADA. WE HAVE UNDERTAKEN TO ENSURE THAT ALL CANADIANS -- WHEREVER THEY MAY LIVE -- HAVE ACCESS TO GOOD HOUSING, AT AN AFFORDABLE COST, AND IN A SAFE AND SATISFYING COMMUNITY ENVIRONMENT.

I BELIEVE THAT THE HOUSING NEEDS OF MOST CANADIANS CAN BEST BE SERVED THROUGH A STABLE, EFFICIENT AND COMPETITIVE PRIVATE RESIDENTIAL CONSTRUCTION INDUSTRY. I BELIEVE THAT, IF THE PRIVATE MARKET PLACE IS WORKING AS IT SHOULD, MOST CANADIANS WILL BE ABLE TO LOOK AFTER THEIR OWN HOUSING PROBLEMS. THAT IS WHY AN IMPORTANT PART OF OUR ACTIVITY IS DIRECTED TOWARDS HELPING TO SUPPORT THIS KIND OF MARKET PLACE. THE CANADIAN GOVERNMENT INTRODUCED MORTGAGE INSURANCE TO ENCOURAGE PRIVATE PARTICIPATION IN HOUSING INVESTMENT AND THAT ONE PROGRAM HAS MADE, OVER THE YEARS, A VERY SUBSTANTIAL CONTRIBUTION TO MAINTAINING A HEALTHY HOUSING MARKET. ABOUT HALF THE HOUSING STARTS IN CANADA EACH YEAR ARE FINANCED WITH MORTGAGES INSURED UNDER THE NATIONAL HOUSING ACT.

AT THE SAME TIME, WE RECOGNIZE THAT, EVEN IN THE BEST OF MARKETS, THERE WILL BE PEOPLE WHO, FOR ONE REASON OR ANOTHER, WILL NEED SOME HELP, USUALLY TEMPORARY, TO FIND THE KIND OF HOUSING THEY NEED.



WE RECOGNIZE ALSO THAT THERE ARE MANY CANADIANS WHO SIMPLY CAN'T AFFORD TO HOUSE THEMSELVES. FOR THESE PEOPLE, HOUSING MUST BE PROVIDED, ON WHATEVER TERMS THEY CAN AFFORD.

SO FAR, WE HAVE DONE VERY WELL. IN OUR OWN CO-OPERATIVE, AND CHARACTERISTICALLY CANADIAN WAY, WE HAVE BECOME ONE OF THE BEST HOUSED PEOPLE IN THE WORLD. TOGETHER -- GOVERNMENT AND INDUSTRY -- WE HAVE CONSISTENTLY EXCEEDED ALL OF THE PRODUCTION TARGETS SET FOR US BY THE ECONOMIC COUNCIL AND OTHERS. WE HAVE, IN FACT, SOLVED THE PROBLEM OF PRODUCING HOUSING.

NOT ONLY ARE WE PRODUCING MORE HOUSING, WE HAVE CONSISTENTLY IMPROVED THE QUALITY OF HOUSING AND THE LIVING CONDITIONS OF CANADIANS. IT IS DIFFICULT TO MEASURE THE QUALITY OF HOUSING BUT, IN TERMS OF THOSE THINGS YOU CAN SEE AND COUNT -- THE NUMBER OF PERSONS PER ROOM, THE NUMBER OF HOUSES WITH PIPED WATER AND INSIDE BATHROOMS -- WE HAVE MADE DRAMATIC IMPROVEMENTS. WHEREAS IN THE EARLY 1950'S MORE THAN 40 PER CENT OF OCCUPIED HOMES LACKED THESE AMENITIES, THE PROPORTION IS NOW LESS THAN FOUR OR FIVE PER CENT.

OUR SURVEYS SHOW THAT IN 1974 -- THE LATEST YEAR FOR WHICH FIGURES ARE AVAILABLE -- ALMOST 80 PER CENT OF ALL URBAN HOUSEHOLDS IN CANADA PAID 25 PER CENT, OR LESS, OF THEIR INCOMES FOR SHELTER -- AND THOSE PAYMENTS INCLUDE, NOT JUST RENT OR MORTGAGE PAYMENTS BUT MUNICIPAL TAXES AND UTILITIES, AS WELL.

I THINK THAT WE -- ALL OF US -- HAVE REASON TO BE PROUD OF THAT RECORD. I DON'T SUGGEST WE SHOULD BE SATISFIED WITH THAT PERFORMANCE BUT I THINK WE SHOULD BE PLEASED WITH THE PROGRESS WE HAVE MADE TOWARDS OUR ULTIMATE GOAL OF GOOD, AFFORDABLE HOUSING FOR ALL CANADIANS.

WE CAN NEVER BE SATISFIED AS LONG AS THERE ARE CANADIANS ANYWHERE WHO ARE LIVING IN THE KIND OF HOUSING WHICH DENIES THEM THE OPPORTUNITY OF ACHIEVING THEIR FULL PHYSICAL, SOCIAL AND SPIRITUAL DEVELOPMENT.

THE ACHIEVEMENT OF THAT GOAL WILL REQUIRE MORE THAN JUST THE SOLUTION OF PRODUCTION PROBLEMS. WE KNOW HOW TO PRODUCE HOUSING AND WE ARE PUTTING UP HOUSES IN RECORD NUMBERS. OUR MORE URGENT PRIORITY NOW IS DISTRIBUTION -- PRODUCING THE RIGHT KIND OF HOUSING, AT THE RIGHT COST, IN THE RIGHT PLACE, FOR THE PEOPLE WHO NEED IT MOST.

THAT IS NOT A JOB THAT CAN BE ACCOMPLISHED BY THE GOVERNMENT OF CANADA, ON ITS OWN -- OR BY ANY ONE LEVEL OF GOVERNMENT. IT REQUIRES A TRULY NATIONAL EFFORT BY ALL OF THE GOVERNMENTS IN CANADA, WORKING CLOSELY TOGETHER, AND IN CO-OPERATION WITH THE PRIVATE SECTOR.

THE ROLE OF THE GOVERNMENT OF CANADA IN HOUSING AND THE RANGE OF PROGRAMS AIMED AT THE ACHIEVEMENT OF NATIONAL HOUSING GOALS IS CONSTANTLY BEING STUDIED TO ENSURE THAT OUR POLICIES ARE APPROPRIATE TO SHIFTING CONDITIONS AND OUR PROGRAMS ARE TUNED TO PEOPLE'S CHANGING NEEDS. ALL PROGRAMS RELATED TO HOUSING AND COMMUNITY SERVICES ARE NOW UNDER REVIEW TO DISCOVER WHETHER THEY CAN BE MADE MORE RELEVANT AND EFFECTIVE. WE ARE ALSO TAKING A CAREFUL LOOK AT THE IMPACT OF GOVERNMENT ACTIVITY ON THE MARKET AND SEEKING WAYS TO ENSURE THAT PUBLIC FUNDS -- TAX DOLLARS -- YIELD THE GREATEST POSSIBLE BENEFIT IN ALL REGIONS OF THE COUNTRY.

I THINK THAT IT IS QUITE EVIDENT EVEN NOW THAT, WHILE WE HAVE MADE VERY GREAT STRIDES IN RECENT YEARS IN GIVING PEOPLE IN THE MEDIUM INCOME RANGE BETTER ACCESS TO GOOD HOUSING -- THROUGH THE ASSISTED HOME OWNERSHIP AND ASSISTED RENTAL PROGRAMS -- OUR RECORD HAS NOT BEEN SO IMPRESSIVE IN SERVING THE NEEDS OF PEOPLE AT THE LOWEST INCOME LEVELS.



PROVIDING SUITABLE HOUSING TO FAMILIES AND INDIVIDUALS WHO CAN'T FEND FOR THEMSELVES IS A HIGHLY COMPLEX PROBLEM. IT IS NOT JUST A MATTER OF PRODUCTION, OR MARKETING OR DESIGN. IT HAS PROFOUND SOCIAL AND ECONOMIC IMPLICATIONS WHICH DO NOT LEND THEMSELVES TO SIMPLE SOLUTIONS. I THINK IT IS EVIDENT THAT THE CONVENTIONAL WAY OF ACCOMMODATING PUBLIC HOUSING TENANTS, IN SEPARATE, ISOLATED, HIGHLY CONSPICUOUS PROJECTS, PHYSICALLY AND EMOTIONALLY ALIENATED FROM THEIR NEIGHBORS, IS NO LONGER AN ACCEPTABLE SOLUTION. I CAN NOT ACCEPT THIS ANY MORE AND SUCH PROJECTS SHOULD BE ELIMINATED. FOR SOME TIME, WE HAVE BEEN EXPLORING WAYS OF BLENDING PUBLIC HOUSING INTO THE LARGER COMMUNITY AND I HOPE THAT OUR CURRENT EXAMINATION WILL PRODUCE SOME EFFECTIVE WAYS OF ACCOMPLISHING THAT PURPOSE THAT WILL BE MORE ATTRACTIVE AND MUCH MORE ACCEPTABLE TO EVERYONE INCLUDING THE PEOPLE FOR WHOM OUR PROGRAMS ARE DESIGNED.

I EXPECT, EARLY IN THE NEW YEAR, I WILL HAVE A NUMBER OF PROPOSALS TO PUT FORWARD REGARDING MORE EFFECTIVE WAYS OF DELIVERING HOUSING TO LOW-INCOME PEOPLE IN THE IMMEDIATE FUTURE.

TO DO SO, I WILL SEEK FIRST TO MAKE THE BEST POSSIBLE UTILIZATION OF EXISTING LEGISLATION AND TO SIMPLIFY THE DELIVERY SYSTEM AS MUCH AS POSSIBLE. OF THE MANY MATTERS WE WILL BE LOOKING AT, IN THE INTEREST OF LOW-INCOME PEOPLE, WILL BE WAYS OF REDUCING EFFECTIVE INTEREST COSTS.

THE GOVERNMENT HAS ESTABLISHED AN INTERDEPARTMENTAL COMMITTEE TO EXAMINE OUR SOCIAL POLICY AFFECTING SHELTER AND MR. WILLIAM TERON IS CHAIRMAN OF THAT INTERDEPARTMENTAL COMMITTEE AND I EXPECT THEIR REPORT BEFORE THE END OF THE YEAR. I WILL THEN BE MEETING TO DISCUSS OUR PLANS WITH THE PROVINCIAL MINISTERS AND I HOPE WE WILL ALSO HAVE THE BENEFIT OF THE SUPPORT AND ADVICE OF THE INDUSTRY WHICH YOU REPRESENT.

AS A MATTER OF GOVERNMENT POLICY WE HAVE MADE A STRENUOUS EFFORT IN RECENT YEARS TO INCREASE PRIVATE INVESTMENT IN MODEST HOUSING. WE FEEL THAT, TO THE EXTENT THAT PRIVATE FUNDS CAN BE USED TO FINANCE HOUSING IN THE MEDIUM PRICE RANGE, GOVERNMENT FUNDS CAN BE FREED FOR THE BENEFIT OF PEOPLE IN MORE URGENT NEED.

THAT IS WHY WE AMENDED BOTH THE ASSISTED HOME OWNERSHIP AND THE ASSISTED RENTAL PROGRAMS TO COMBINE FEDERAL GRANTS WITH PRIVATE MORTGAGE FINANCING. SINCE THAT TIME, PRIVATE INVESTMENT IN THESE TWO PROGRAMS HAS STEADILY INCREASED WHILE GOVERNMENT INVESTMENT HAS DECLINED. THIS YEAR, PRIVATE INVESTMENT IN AHOP AND ARP WILL AMOUNT TO ABOUT \$1.8 BILLION, WHILE DIRECT INVESTMENT BY CMHC IN THESE TWO PROGRAMS WILL BE ONLY \$37.6 MILLION. SINCE 1975 THE DIRECT INVESTMENT OF PUBLIC FUNDS IN AHOP AND ARP HAS BEEN ALMOST CUT IN HALF.



IT SEEMS QUITE EVIDENT THAT THIS POLICY HAS WORKED WELL -- FOR YOU, FOR THE ACCOMPLISHMENT OF NATIONAL HOUSING OBJECTIVES, AND FOR ABOUT 100,000 CANADIAN FAMILIES WHO TOOK ADVANTAGE OF THESE TWO PROGRAMS.

IN OUR REVIEW OF THE AHOP PROGRAM, WE WILL BE LOOKING AT -- AMONG OTHER THINGS -- THE ADVISABILITY AND FEASIBILITY OF MAKING AHOP BENEFITS AVAILABLE FOR EXISTING AS WELL AS NEW HOUSING. I WOULD ALSO LIKE TO AFFIRM THAT OUR ASSISTED RENTAL PROGRAM, WHICH HAS MET WITH SUCH SUCCESS IN IMPROVING THE STOCK OF MODEST RENTAL ACCOMMODATION, WILL BE CONTINUED.

AN IMPORTANT FACTOR IN THE SUCCESS OF ARP HAS BEEN THE SPECIAL PROVISIONS AFFECTING CAPITAL COST ALLOWANCES AND I WAS VERY PLEASED THAT THE MINISTER OF FINANCE HAS ANNOUNCED THE CONTINUATION OF THESE SPECIAL PROVISIONS FOR ANOTHER YEAR. WE SHOULD NOT, HOWEVER, BE DEPENDENT ON THIS TAX MEASURE FOR THE CONTINUED SUCCESS OF ARP. ONE OF MY OBJECTIVES WILL BE TO ESTABLISH A PERMANENT EFFECTIVE PROGRAM OF RENTAL ASSISTANCE FOR PEOPLE OF MODEST MEANS.

I AM ALSO LOOKING FORWARD TO THE FINDINGS OF THE FEDERAL-PROVINCIAL TASK FORCE ON THE SUPPLY AND PRICE OF SERVICED LAND. I AM HOPEFUL THAT THEIR CONCLUSIONS, TOGETHER WITH OUR OWN INITIATIVES, WILL MAKE AN IMPORTANT CONTRIBUTION TOWARD GIVING MORE CANADIANS ACCESS TO AFFORDABLE HOUSING.

WE EXPECT THAT BY THE END OF THIS YEAR WE WILL HAVE ACCOMPLISHED ABOUT 245,000 HOUSING STARTS OF ALL KINDS AND FOR 1978 WE FORECAST APPROXIMATELY 235,000 STARTS. IN TERMS OF TOTAL HOUSING PRODUCTION, THOSE FIGURES WOULD BE ADEQUATE TO MEET ALL OF OUR ANTICIPATED NEEDS AND WOULD MAINTAIN OUR STEADY PROGRESS TOWARDS OUR FOUR-YEAR GOAL OF A MILLION NEW STARTS.

FOR THE IMMEDIATE FUTURE, 1978 PRESENTS NEW CHALLENGES TO THE INDUSTRY. THE PRESENT UNSOLD INVENTORY AND THE CURRENT ECONOMIC SITUATION SUGGEST THAT WE WILL HAVE TO BE CREATIVE, INNOVATIVE AND POSITIVE IN OUR APPROACH.

I WOULD LIKE TO SEE THE HOUSING INDUSTRY IN CANADA RESPOND TO THE APPEAL VOICED BY MY COLLEAGUE THE MINISTER OF FINANCE FOR SUSTAINED GROWTH IN 1978.

I BELIEVE IT CAN BE ACCOMPLISHED IF WE CAN RESTORE THE CONFIDENCE OF INVESTORS AND THE POPULATION AT LARGE IN HOUSING AS A SOUND INVESTMENT OF LASTING VALUE.

THERE IS NO DOUBT THAT WE ARE NOW IN A BUYER'S MARKET. THERE IS A SUSTANTIAL SUPPLY OF HOUSES ON THE MARKET -- AND NOT JUST IN THE HIGHER-PRICE RANGES. AT LAST COUNT THERE WERE SOME 30,000 AHOP HOUSES ON THE MARKET STILL UNSOLD. THERE ARE GOOD BUYS, IN ALL PARTS OF THE COUNTRY, FOR PEOPLE WHO ARE PREPARED TO SHOP NOW. THERE IS NO DOUBT

IN MY MIND THAT IN 1978, AND 1979, AND 1980, REAL ESTATE WILL CONTINUE TO BE A GOOD AND SOUND INVESTMENT.

THE FINANCE MINISTER IN HIS SPEECH IN THE HOUSE OF COMMONS A FEW NIGHTS AGO IDENTIFIED THE PROBLEM. IT IS A LACK OF CONFIDENCE. THESE DOUBTS ARISE FROM OUR RECENT EXPERIENCE WITH INFLATION, SLOW GROWTH AND HIGH UNEMPLOYMENT. MANY PEOPLE WHO ARE CONCERNED ABOUT THE TREND IN THEIR LIVING COSTS AND THEIR PROSPECTS FOR INCREASING THEIR INCOME, OR EVEN HOLDING ON TO THEIR JOBS, ARE RELUCTANT TO MAKE A SUBSTANTIAL INVESTMENT IN THEIR HOUSING. THAT FEELING IS UNDERSTANDABLE -- UP TO A POINT. I AGREE WITH THE FINANCE MINISTER THAT THIS PESSIMISM -- AS IT APPLIES TO THE HOUSING INDUSTRY IN CANADA -- HAS GONE TOO FAR.

I BELIEVE THAT WE ARE COMING TO GRIPS WITH OUR ECONOMIC PROBLEMS. I BELIEVE THAT THE PEOPLE OF CANADA, AND CANADIAN BUSINESS AND INDUSTRY, WILL RESPOND TO MR. CHRETIEN'S COMMON SENSE ADVICE. WE ARE A SENSIBLE, REALISTIC PEOPLE. HARD WORK, SELF-RELIANCE AND COURAGE ARE DEEPLY ROOTED IN OUR NATIONAL TRADITIONS AND THESE ARE THE QUALITIES THAT THESE DIFFICULT TIMES DEMAND. I THINK WE ARE ALSO BASICALLY AN OPTIMISTIC AND ENTHUSIASTIC PEOPLE -- WHEN OPTIMISM AND ENTHUSIASM ARE WELL FOUNDED. I THINK THAT WHEN CANADIANS BECOME AWARE THAT THEIR ECONOMIC FUTURE LIES WITHIN THEIR OWN HANDS, THEY WILL SHRUG OFF THEIR ANXIETIES AND MOVE FORWARD AGAIN WITH NEW CONFIDENCE.



THE FINANCE MINISTER'S EXPECTATION IS THAT CONSUMER SPENDING SHOULD GROW IN LINE WITH THE ECONOMY AND I BELIEVE THAT RULE SHOULD APPLY TO HOUSING, AS TO ANY OTHER COMMODITY. NOW, MORE THAN EVER, IT IS IMPORTANT FOR US TO LIVE WITHIN OUR MEANS. I THINK, IN THE LAST YEAR OR SO, CANADIANS HAVE BECOME MUCH MORE REALISTIC ABOUT WHAT THEY NEED AND CAN AFFORD. THE AHOP AND ARP PROGRAMS AND OTHER FEDERAL HOUSING MEASURES HAVE BEEN INSTRUMENTAL IN EFFECTING THIS CHANGE AND HAVE ENCOURAGED THE INDUSTRY TO SHIFT PRODUCTION AWAY FROM THE HIGH END OF THE PRICE RANGE TOWARDS THE KIND OF HOUSING MOST PEOPLE NEED AND CAN AFFORD. I HAVE NO DOUBT THIS TREND WILL CONTINUE AND WE WILL DO OUR BEST TO SUSTAIN IT.

OUR STATISTICS INDICATE THAT ALMOST 50% OF HOUSEHOLDS WHERE INCOME IS LESS THAN \$5,000 OCCUPY HOUSING IN EXCESS OF 450 SQUARE FEET PER PERSON WHICH IS THE HIGHEST SPACE STANDARD WITHIN CANADA.

THE CONCERN ABOUT HOUSING COSTS IS NOT CONFINED TO THE COST OF NEW HOUSING. THE COST OF HOUSING MAINTENANCE IS ALSO AN IMPORTANT FACTOR. IN THAT REGARD, WE IN CANADA HAVE WHAT IS ALMOST A UNIQUE PROBLEM.

WE HAVE A PROBLEM OF OVER-HOUSING -- PEOPLE WHO ARE OCCUPYING MUCH MORE SPACE THAN THEY NEED, AND IN MANY CASES, MORE THAN THEY CAN AFFORD.

THIS IS AN UNDERSTANDABLE SITUATION -- PARENTS WHOSE CHILDREN HAVE LEFT HOME, A WIDOW OR A WIDOWER WHO WANTS TO STAY ON IN FAMILIAR AND COMFORTING SURROUNDINGS. NO ONE WOULD PRESUME TO INTERFERE WITH THAT RIGHT. AT THE SAME TIME, BEARING IN MIND THE NEED TO MAKE THE MOST ECONOMICAL USE OF OUR RESOURCES, THESE LARGE HOMES COULD BE USED TO ADVANTAGE BY FAMILIES WHO ARE LIVING IN CROWDED QUARTERS. IT IS NOT ONLY WASTEFUL OF SPACE BUT OF ENERGY AS WELL.

I AM HOPING THAT IN OUR REVIEW OF FEDERAL POLICIES AND PROGRAMS WE WILL DEVELOP WAYS OF OFFERING PEOPLE WHO ARE OVER-HOUSED MORE ATTRACTIVE, MORE ECONOMICAL ALTERNATIVES. IT SHOULD BE POSSIBLE FOR SUCH PEOPLE, IF THEY CHOOSE, TO BE HOUSED IN MORE CONVENIENT ACCOMODATION WITHIN THEIR OWN IMMEDIATE NEIGHBOURHOOD. THEY SHOULD HAVE THE OPTION, IF THEY CHOOSE, TO ECONOMIZE ON THEIR HOUSING COSTS AND SPEND THE MONEY SAVED IN OTHER WAYS.

ONE OF THE POSSIBILITIES WHICH WILL BE CONSIDERED IN THE SO-CALLED " REVERSE " MORTGAGE. THESE ARRANGEMENTS COULD BE OF BENEFIT TO A SENIOR CITIZEN WHO HAS SUBSTANTIAL ASSETS IN THE FORM OF A WHOLLY-OWNED HOME BUT A VERY SMALL CURRENT INCOME. ABOUT 40 PER CENT OF HOMES IN URBAN CANADA HAVE A PAID - UP MORTGAGE.



THE " REVERSE MORTGAGE" WOULD ALLOW SUCH PEOPLE TO REALIZE THEIR ASSETS BY RECEIVING ANNUAL PAYMENTS DURING THEIR LIFETIME AND TO USE THE INCOME IN ANY WAY THEY CHOOSE.

TO BE CONSISTENT WITH THE PHILOSOPHY OF CONSERVATION AND THE MANAGEMENT OF OUR RESOURCES, I BELIEVE WE MUST ANTICIPATE A GROWING NEED TO REHABILITATE OUR LARGE EXISTING STOCK OF HOUSING.

SINCE CMHC WAS ESTABLISHED IN 1946, OUR PREOCCUPATION HAS BEEN WITH THE PRODUCTION OF NEW HOUSING -- FOR THE RETURNING VETERANS, FOR THE POST-WAR BABY BOOM, THE POPULATION EXPLOSION. BUT THERE IS A NEW DAY COMING. THE RATE OF POPULATION GROWTH HAS BEEN SLOWING DOWN SINCE 1957. FOR THE NEXT DECADE OR SO IT WILL BE ABOUT ONE PER CENT. THAT MEANS, AMONG OTHER THINGS, THAT THERE WILL BE A HIGHER PROPORTION OF ELDERLY PEOPLE IN THE POPULATION, RELATIVELY FEWER PEOPLE WITH YOUNG FAMILIES. PEOPLE ARE WAITING LONGER TO GET MARRIED, ARE HAVING FEWER CHILDREN. ALL OF THESE FACTORS SUGGEST THAT BY THE MID-EIGHTIES WE ARE GOING TO NEED LESS NEW HOUSING EACH YEAR -- MAYBE ONLY 200,000 ANNUAL STARTS.

WITHIN THE NEXT 10 YEARS, THERE WILL BE MORE THAN THREE MILLION HOUSING UNITS IN CANADA WHICH ARE MORE THAN 40 YEARS OLD AND IN NEED OF UPGRADING IF WE ARE TO MAINTAIN THEIR POTENTIAL. THESE OLDER HOUSES WILL REPRESENT ALMOST 30 PER CENT OF THE TOTAL HOUSING STOCK IN EXISTENCE AT THAT TIME.

THERE WILL BE GROWING RESISTANCE TO THE DESTRUCTION OF EXISTING HOUSING AND AN INCREASING PRESSURE TO EXTEND ITS USEFUL LIFE -- PARTICULARLY IN THE CITY CENTRES WHERE THERE IS ENERGY TO BE SAVED BY SHORTENING THE DAILY JOURNEY TO WORK.

ALL OF THIS SHOULD SUGGEST TO YOU THAT REHABILITATION WILL HAVE A BIGGER PART TO PLAY IN YOUR FUTURE. SPEAKING FOR THE GOVERNMENT, I CAN ASSURE YOU THAT WE ARE IN THE REHABILITATION BUSINESS FOR THE LONG HAUL. I BELIEVE THAT YOU SHOULD BE LOOKING AT IT CAREFULLY FROM YOUR OWN POINT OF VIEW. IT PRESENTS AN OPPORTUNITY AND A CHALLENGE. A GREAT DEAL OF THIS KIND OF WORK IS NOW DONE BY SMALL, HANDYMAN ENTREPRENEURS. THIS TRADITIONAL KIND OF OPERATION WILL EVENTUALLY BE INADEQUATE. I WOULD EXPECT THAT SOME OF THE LARGER BUILDING FIRMS WILL BE LOOKING FOR WAYS TO TAKE ADVANTAGE OF THIS GROWING MARKET BY DEVELOPING NEW MANAGERIAL SKILLS AND A NEW STYLE OF ORGANIZATION.

WE WILL, OF COURSE, MAINTAIN THE MOMENTUM WE HAVE ACHIEVED IN ALL OF OUR SUCCESSFUL HOUSING ASSISTANCE PROGRAMS BUT REHABILITATION, TOGETHER WITH LOW-INCOME HOUSING AND INNER-CITY DEVELOPMENT, WILL BE RECEIVING SPECIAL ATTENTION AND SUPPORT FROM GOVERNMENTS. WE WILL CONTINUE TO LOOK TO YOU -- THE PRIVATE SECTOR -- TO DESIGN IT, TO BUILD IT, AND TO FINANCE IT.

I HAVE MENTIONED ONLY A FEW OF THE NEW DIRECTIONS WHICH ARE OPENING UP FOR ALL OF US IN THE FIELD OF HOUSING AND COMMUNITY DEVELOPMENT. IN MY MINISTRY, AND IN CMHC, WE ARE DETERMINED TO STAY IN THE FOREFRONT OF THESE NEW DEVELOPMENTS AND, WITH YOUR HELP, TO ASSIST ALL CANADIANS TO FULFILL THEIR NEEDS AND ASPIRATIONS.

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IN HOUSING, AS IN OTHER BASIC HUMAN NEEDS, THE NATIONAL GOVERNMENT HAS AN OBLIGATION TO SEE THAT ALL CANADIANS, WHEREVER THEY MAY LIVE, HAVE AN EQUAL OPPORTUNITY TO SHARE IN THIS COUNTRY'S RICH RESOURCES.

I HAVE BEEN SPEAKING ABOUT ONE KIND OF HABITATION THAT CERTAINLY CONCERNS YOU -- AND ALL CANADIANS -- BUT I WOULD LIKE TO TALK TO YOU ABOUT ANOTHER SORT OF HABITATION.

JUST AS WE CHOOSE OUR DWELLING PLACE, THE KIND OF HOUSE WE WANT TO LIVE IN, SO, IN THE SAME WAY, WE CHOOSE THE KIND OF COUNTRY WE WANT.

CANADA IS THE HOME WHICH WE ALL SHARE. THIS COMMON HOME IS THREATENED TODAY AS IT HAS NEVER BEEN THREATENED BEFORE.

THERE IS NOW IN QUEBEC A GOVERNMENT WHICH IS DEDICATED TO THE DESTRUCTION OF CANADA. AND YET. IT WAS NOT ELECTED TO DESTROY OUR COUNTRY. IT WAS ELECTED ON A SOLEMN PROMISE GIVEN TO THE PEOPLE OF QUEBEC TO GIVE THEM GOOD GOVERNMENT, WITHIN THE HEART OF THE CANADIAN CONFEDERATION, AND NEVER TO TRY TO BREAK QUEBEC S LINKS, POLITICAL AND OTHERWISE, WITH THE REST OF CANADA WITHOUT, FIRST, HAVING BEEN AUTHORIZED, BY MEANS OF AN HONEST REFERENDUM, TO TAKE SUCH ACTION.

IN QUEBEC, SECESSIONIST FORCES ARE AT WORK AND TRUE CANADIANS ARE OPPOSING THEM -- CANADIANS WHO ARE ALSO AUTHENTIC QUEBECOIS, ENRICHED BY THE FRENCH CULTURE, LOVE OF LIBERTY, FAITH IN MANKIND, AND THE PURSUIT OF PROGRESS.

THERE ARE MANY QUEBECOIS WHO ARE FIERCELY CANADIAN, THEY ARE AT WORK, BUT LET US NOT LULL OURSELVES WITH ILLUSIONS, THE SEPARATIST FORCES ARE FURBISHING THEIR ARMS AND THE BATTLE FOR CANADA IS UNFOLDING, NOT ONLY IN QUEBEC BUT IN ALL OF CANADA. THE FACT IS IMPORTANT TO UNDERSTAND, NOT BECAUSE THE QUEBEC FEDERALISTS FEEL THEY ARE NOT AS STRONG AS THE SEPARATISTS -- THAT'S NOT SO -- BUT BECAUSE THE PARTI QUEBECOIS DRAWS A LOT OF ITS AMMUNITION FROM CHARGES LEVELLED AGAINST THE WHOLE OF ENGLISH-SPEAKING CANADA.

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ENGLISH-SPEAKING CANADIANS ASK THEMSELVES:

WHAT CAN WE DO? WHAT SHOULD WE DO?

I REPLY TO THEM IN THIS WAY:



BELIEVE THAT THE GREATEST OF ALL OF CANADA'S RICHES ARE ITS HUMAN RESOURCES -- MOST NOTABLY ITS LINGUISTIC DUALITY AND ITS CULTURAL DIVERSITY -- AND ACT ACCORDINGLY.

THE CANADIAN EXPERIENCE IS UNIQUE IN THIS WORLD

AND I BELIEVE STRONGLY THAT CANADA SHOULD CONTINUE TO EXIST AS A BILINGUAL COUNTRY. IT MUST BE BILINGUAL IN ALL OF ITS FEDERAL INSTITUTIONS AND, WHAT IS MORE, IT IS IMPERATIVE THAT THE RIGHT TO BE EDUCATED IN EITHER ONE OF THE OFFICIAL LANGUAGES SHOULD BE RECOGNIZED IN PRACTICE THROUGHOUT CANADA. WE MUST UNDERSTAND THE RICHNESS WHICH COMES OF THE KNOWLEDGE OF A SECOND LANGUAGE, WE MUST UNDERSTAND THE WEALTH WHICH OUR CULTURAL DIVERSITY REPRESENTS, WE MUST SPEAK FROM OUR HEARTS WHEN WE SAY "VIVE LA DIFFERENCE"!

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1978  
d'Etat  
des Affaires

February 13, 1978

10 a.m.

REDEVELOPMENT OF THE  
OLD PORT OF QUEBEC

announced at the Hotel de Ville,  
Quebec City

Monday, February 13, 1978



With its historical and architectural significance, Old Quebec is without a doubt an area of exceptional importance, not only for the citizens of Quebec City but also for people throughout Canada.

The federal government is no exception to the rule: we, in Ottawa, are very conscious of the extraordinary wealth which this part of our heritage represents. And we know that all of us are unfortunately on the road to losing an important part of what we inherited from our ancestors.

It is no secret that parts of the Old Port of Quebec are in a pitiable state, resulting from the deterioration of old warehouses and other facilities in the area.

Taking this situation into account, the federal government has decided to take the necessary steps to safeguard the Old Port so that it is developed to its true potential. We have also agreed that the Old Port, while keeping its historical character, must respond to the needs of all the citizens of Quebec City. It is therefore essential that the Old Port be given a new vitality.

In spite of the all-encompassing presence of the water and the special maritime characteristics which the port sector offers to this city, our appreciation of the scenery is

greatly disrupted by the disorder which reigns on the site. Until now, initiatives, which could have led to a rational development of the area, have been discouraged to a great extent.

However, the federal government is willing to take the bull by the horns. The obsolete facilities will disappear. Their removal will open up a new and important window on the St. Lawrence River, and furthermore give an interesting perspective on the old part of the city. No longer will we have wharves in a state of deterioration. Instead they will be clean and functional ones. Gone will be the heaps of scrap on the lands which were the cradle of New France.

An immense potential is offered to us and we will take up this challenge.

For the whole program in the Old Port, \$42 million will be spent in the next four years, creating, among other things, 1,000 jobs.

One of the other results from this program is the construction of 300 housing units for people with low and moderate incomes, which will fill a need for dwellings, strengthen the family unit and bring about other benefits for the area. Their design will not block the view for anyone, as they will



be three or four storeys high, but no more. As for community services in the redevelopment area, we plan to link them with the rest of Lower Town and the Old City. Sports facilities, walkways, parks and other green spaces will be developed to provide further amenities for family housing.

The Old Port truly enjoys a privileged geographical position, as it juts out into the water along the same axis as Cape Diamond on which Quebec City was built. It enjoys a national and even international importance. The measures which the federal government is taking show that we are as attached to preserving this richness as we would be to any other treasure which we cannot give up. We do not wish to lose these riches. The Old Port will be born again. Its historical character will be enhanced, and on the site an entity will stand, which will not only be attractive but will also respond to today's needs.

The federal Cabinet has agreed to a series of coordinated projects aimed at redeveloping an area of about 170 acres owned by the Government of Canada in the Old Port -- a sector of very great importance in many respects.

I am pleased with the decisions made by the National Harbours Board and other federal agencies for the future redevelopment of the area. This program provides me with the occasion to

take action, through my Ministry, in directing and coordinating work which will lead to a true renaissance of the area. This rebirth will, in turn, benefit today's and tomorrow's citizens of Old Quebec, and all people in the city of Quebec as a whole and throughout Canada.

Studies have been made. What we are announcing today corresponds to the objectives and desires shown to us by the Government of Quebec, municipal authorities in Quebec City and citizen's groups dedicated to the advancement of the human, touristic and historical elements of Old Quebec.

Thank You.

marks by  
Honourable  
André Ouellet

Discours de  
l'honorable  
André Ouellet

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MOBILE HOME MANUFACTURERS ASSOCIATION

Ottawa,  
May 1, 1978



I would like to thank you for your kind invitation to address your annual conference. Quite a lot has taken place during the past year in our mutual efforts to resolve a variety of special problems within the mobile homes industry, and I appreciate this opportunity to review an encouraging year of progress and to discuss a few of the matters that still require attention.

As you know, we put together a joint study team last June after a series of meetings at which we discussed the problems of your industry. The study team, you will recall, consisted of two representatives of your association, two from Central Mortgage and Housing Corporation, and two independent members.

This team deserves our highest praise for accomplishing a difficult job in a short space of time. They had only 90 days in which to produce a report, but that time limitation did not deter them from doing a thorough and effective study.

Their efforts resulted in a lengthy report that set out for my consideration alternative proposals regarding the financing of mobile homes, the development of sites, and other matters of prime concern.



I am sure that all of you are familiar with the contents of the report, which was printed in book form, so I will not deal in detail with its findings. As you know, the report concluded that there would be a substantial increase in the demand for mobile homes if land and financing comparable to that for conventional housing were available.

It was clear that the key to allowing mobile homes to take full advantage of National Housing Act benefits was to bring the standards of mobile homes in line with CMHC's residential standards applying to conventional homes. As a result, we set up a joint technical committee to review the differences between the CSA Z-240 standard used by your industry and the residential standards prescribed by CMHC. The Technical committee had the responsibility of either resolving these differences or making recommendations by which they could be resolved.

The committee met frequently and gave exhaustive, detailed study to both the Z-240 and the residential standards in an effort to reconcile the two. The final report, with recommendations, was made to me almost three weeks ago, and I am most pleased that it was a positive document pointing the way to resolution of existing problems.

Again, it is not necessary for me to go into detail on the specific findings of the technical committee, because you are already familiar with them, but I would like to point out that the recommendations satisfy us with regard to important considerations of health, safety, structural integrity and energy conservation, and CMHC is prepared to prescribe on an interim basis -- until May 1, 1979 -- standards reflecting the agreed-upon recommendations. These will be issued shortly in a CMHC Builders' Bulletin. I am also pleased to see that these interim arrangements are practical from your point of view and can be implemented without serious disruption in production or unacceptable increase in cost.

I would like to remind you that CMHC has the responsibility to ensure that the over-all quality of Canadian housing under the NHA is maintained, and that consistent standards be established to achieve this end. This is why we will require, after May 1, 1979, that all mobile homes financed under the NHA comply with CMHC's standards of construction.

In the meantime, I know that your industry will be working through the associate committee of the National Building Code and the Canadian Standards Association to incorporate desirable changes into both Residential Standards and the Z-240 standards.

I would like to take this opportunity to pay particular tribute to your representatives on the committees, who took on a difficult job and did it extremely well. They represented the interests of your industry in an intelligent and responsible manner. I have already expressed similar sentiments to CMHC's representatives. Altogether, it was a thorough and professional study, and I know the results will be beneficial to the mobile home industry while assisting CMHC in meeting its continuing responsibilities as the national housing agency.

I would like to emphasize a point that we have made many times in the past: a single set of standards for all housing in Canada is, and will continue to be, the federal policy. The agreements we have reached for certain standards are not inconsistent with the existing residential standards, and they will undoubtedly make it much easier for manufacturers of mobile homes to receive assistance under the NHA.

There are, of course, a number of other matters of concern that continue to occupy our attention. The original report in September of last year recommended that a federal chattel mortgage insurance program be developed for mobile homes on rented sites. We recognize the importance of this proposal to your industry, and we accept the idea in principle,

but I am sure you appreciate that this new instrument would require legislative action, and faces some legal barriers at the Provincial level. CMHC is currently exploring the practical possibilities of chattel mortgage insurance, and will be discussing them with the lending industry. We'll have more to say about this matter in due course.

I recognize the importance of site planning to your industry, and I would like to assure you that CMHC is continually reviewing its site criteria to bring them more in line with today's changing housing conditions. In this connection, I strongly suggest that you encourage those involved in siting for mobile homes to use the enabling CMHC performance-based site-planning standards.

The report also recommended that CMHC act as a lender of last resort for mobile homes, and we see no problem there, but I should point out that this is a very limited role for CMHC. Usually, only housing in remote areas where there are no facilities for conventional loans qualifies for "last resort" loans.

Another recommendation was that federal restrictions be placed against imported mobile homes that do not meet approved Canadian construction standards. That is being taken up with the appropriate federal authorities, and I don't see any reason why imported mobile homes should not be required to meet the approved standards.

I want to remind you that, after July 1 of this year, all Canadian builders will have to provide a warranty on any homes built with NHA assistance. The terms of the standard warranty were developed by the Housing and Urban Development Association of Canada, and do not at this time specifically cover mobile homes.

In Ontario, mobile home manufacturers who comply with the conditions of the warranty can register as builders and enroll in the program. I see no reason why this procedure cannot be followed in other provinces. If there are difficulties in doing so, a responsible nationwide warranty plan, acceptable to CMHC and perhaps based on the HUDAC concept, should be implemented by the mobile home industry as quickly as possible.

As the joint study team pointed out in its report, such a plan should clearly identify responsibility for the warranty and make financially-binding arrangements for continued warranty support in the event of changes in the relationship between consumer, dealer and manufacturer.

During the past year, there has been a lot of discussion about the availability to you of certain specific federal housing programs, such as the Assisted Home Ownership Program, the Residential Rehabilitation Assistance Program, the Municipal Incentive Grants Program, and others that could improve your competitive position relative to conventional homes.



Naturally, all appropriate programs administered by CMHC will be available for mobile homes that meet the approved standards. This has always been the case, but not until the past year have we been able to come together on an acceptable set of standards to be adopted by your industry.

Since changes to certain NHA programs and in our approach to others have just been announced, I think it might be useful to review them briefly so you can assess their possible effect on the mobile home industry.

These initiatives provide a new direction in housing policy and are a response to some of the most difficult economic and social challenges that face us at this time. They result from many months of study and consultation with the provincial governments and, through them, local governments across Canada.

The first challenge is to provide more housing for people of low-income, and we are looking towards about 30,000 units of housing a year in this category. To reach that target, we have had to arrive at some different working arrangements.

We are inviting sponsors of housing for low-income people -- provinces, municipalities or private non-profit organizations -- to seek their financing on the private market. If the housing conforms to NHA standards, and other federal criteria, we will subsidize their interest payments so that they are, in effect, paying only two per cent on the capital cost of the project, or one per cent if borrowed capital is used for

90 per cent of the total cost. The provincial governments are also expected to continue to provide subsidies in order to reach more low-income people.

Under this new program, it is not necessary to build special housing projects. Sponsors are encouraged to buy or rehabilitate existing housing. We are, in fact, encouraging a "best buy" approach for low-income housing, which will put some of the unoccupied inventory to good use and stimulate new production. All units are to be offered on a rent-to-income basis and we are advocating a 25 per cent scale. We also want tenants to have an option to purchase.

Because mobile homes are less expensive than conventional housing, I should think that the "best buy" policy could be advantageous to your industry as a source of housing for low-income people.

We are also advocating much wider use of the Rent Supplement Program, where the federal and provincial governments share the cost of making a proportion of units in housing projects available to people of low-income.

We are concerned about affordable housing for middle-income people as well, and have introduced a new policy that will extend the advantages of the Assisted Home Ownership Program to the existing housing stock.

Under current restraints, a program expansion of this magnitude cannot be financed by the federal government, and it is therefore necessary to harness the resources of the private sector.

We are asking the private lenders to use the Graduated Payment Mortgage, a technique which provides the borrower with significantly reduced monthly payments in the initial years of the mortgage. These payments gradually increase over the years as income and house values rise. This is essentially the technique which has been tested so successfully with AHOP. Now, the same approach can be extended without recourse to public subsidy.

In order to facilitate the adoption of the Graduated Payment Mortgage by private lenders, we are introducing a new form of loan insurance under the National Housing Act. This will allow the institutions holding Graduated Payment Mortgages to recover their funds in the case of defaults without the legal processes and delays associated with typical foreclosure procedures.

CMHC will continue to support new construction under the Assisted Home Ownership Program, but it is to be altered so that the benefits will be parallel to those of the Graduated Payment Mortgage.

The highly successful Assisted Rental Program will undergo similar adjustments to facilitate private lender participation.

We have also made the Residential Rehabilitation Assistance Program more widely available. Up until now, these benefits were restricted to Neighborhood Improvement and other specially-designated areas. We are prepared, now, to designate all areas where there are appropriate by-laws and delivery mechanisms.

The final federal change is a new, global approach to federal assistance for community services. As you know, Canadian provinces and their municipalities have been receiving federal assistance for a number of years for neighborhood improvement, for the installation of water and sewage infrastructure and treatment plants, and to encourage the construction of moderately-priced, medium-density housing.

We are consolidating this assistance into a general Community Services Grant program. The new global approach will give provinces and their municipalities more flexibility in the way federal funds are applied, and will ensure that federal assistance is more responsive to local needs and priorities, while disentangling the federal government from project-by-project administration in municipalities.

These are the new directions in housing. They are designed to provide more effective use of federal housing funds, particularly where low-income housing is concerned. They are also designed to increase private financial participation in housing and community development, because we must recognize current economic restraints and the necessity of holding back the growth of government expenditures.

In closing, I'd like to compliment your association for its positive approach to finding solutions for some of the special problems that have been besetting your industry. I think our joint efforts have produced positive results, and this sort of productive relationship will continue as we look for solutions to the remaining difficulties.

I'd like to draw your attention to three objectives of your industry that the joint study team designated in its report as requiring immediate attention. They are:

- \* improving the present product and its exterior appearance;
- \* improvements in land development and site planning;
- \* and improving the marketability and public relations aspect of the mobile home business.

You have come a long way towards improving your product, and I congratulate you on the progress you have made. I urge you to continue to work towards the objectives outlined by the joint study team so that you can take full advantage of your market potential.



Together, we have taken the first steps. It's largely up to you now -- individually and as an association -- to go the remaining distance in achieving full acceptability of mobile homes as an alternative form of low-cost, single-family housing.

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ADDRESS BY THE HONORABLE ANDRE OUELLET  
MINISTER OF STATE FOR URBAN AFFAIRS

TO THE

ANNUAL MEETING, HUDAC



FEBRUARY 19, 1979



THANK YOU FOR YOUR KIND INVITATION TO SPEAK HERE TODAY. I AM ALWAYS PLEASED TO HAVE THE OPPORTUNITY TO TALK ABOUT HOUSING TO MEMBERS OF HUDAC BECAUSE YOU ARE THE PEOPLE WHO TRANSFORM FEDERAL HOUSING POLICIES AND PROGRAMS INTO THE HOMES THAT CANADIANS LIVE IN. THERE HAS ALWAYS BEEN A CLOSE AND EFFECTIVE WORKING RELATIONSHIP BETWEEN YOUR ASSOCIATION AND CENTRAL MORTGAGE AND HOUSING CORPORATION, AND IT IS THE PEOPLE OF CANADA WHO HAVE BENEFITTED THE MOST FROM THAT RELATIONSHIP.

I HAVE STATED MANY TIMES, AND I HAVE NO HESITATION IN DOING SO AGAIN, THAT CANADIANS, BY ANY STANDARDS, ARE AMONG THE BEST-HOUSED PEOPLE IN THE WORLD.

THIS IS NOT JUST CONJECTURE, IT IS FACT, AS INDICATED LAST OCTOBER WHEN A GALLUP POLL ACROSS CANADA SHOWED THAT MORE THAN 85 PER CENT OF ALL CANADIANS WERE SATISFIED WITH THEIR HOUSING. EVEN IN THE ATLANTIC REGION, WHERE ECONOMIC PROBLEMS ARE MOST SEVERE, MORE THAN 78 PER CENT OF THE PEOPLE WERE SATISFIED WITH THEIR HOUSING.

THIS RESPONSE WAS GIVEN CONSISTENTLY BY PEOPLE OF ALL AGES, IN ALL ECONOMIC GROUPS, AND IN ALL PARTS OF THE COUNTRY. WITHOUT QUESTION, THE MAJORITY OF CANADIANS ARE SATISFIED WITH THEIR HOUSING.

THIS HAS BEEN ACCOMPLISHED NOT BY A SINGLE BODY, BUT BY MANY. THE BUILDING INDUSTRY HAS PLAYED A CRITICAL ROLE, NOT JUST BY PUTTING UP HOUSES, BUT BY SETTING AND MAINTAINING STANDARDS OF QUALITY, DESIGN AND WORKMANSHIP THAT ARE UNSURPASSED ANYWHERE. SIGNIFICANT AND VITAL ROLES HAVE BEEN PLAYED, TOO, BY FINANCIAL INSTITUTIONS AND BY ALL LEVELS OF GOVERNMENT.

THE FEDERAL WORKING PHILOSOPHY IN HOUSING HAS ALWAYS BEEN TO ASSIST PRIVATE ENTERPRISE IN FILLING THE SHELTER AND COMMUNITY NEEDS OF CANADIANS. WE CANNOT BUILD HOUSES, BUT WE CAN AND DO PROVIDE THE DIRECTION AND THE INCENTIVES THAT HELP TO ENSURE THAT THE RIGHT HOUSING IS BUILT FOR THE RIGHT NEEDS.

FEDERAL HOUSING POLICIES AND PROGRAMS HAVE ALWAYS BEEN DEVELOPED IN RESPONSE TO THE NEEDS THAT PREVAILED AT ANY GIVEN TIME. AS MARKET AND ECONOMIC CONDITIONS CHANGE,



AS THE WANTS, THE NEEDS AND EVEN THE TASTES OF THE CANADIAN PEOPLE CHANGE, SO DOES THE FEDERAL APPROACH TO HOUSING. ONLY BY RESPONDING REALISTICALLY TO CHANGE CAN CMHC CONTINUE TO FILL A USEFUL AND EFFECTIVE ROLE AS A NATIONAL HOUSING AGENCY.

I MENTIONED EARLIER THAT CANADIANS ARE AMONG THE BEST-HOUSED PEOPLE IN THE WORLD, BUT THAT DOES NOT MEAN THAT WE ARE WITHOUT HOUSING PROBLEMS. MANY CANADIANS ARE NOT WELL-HOUSED, AND IT IS AN URGENT CONCERN OF THE FEDERAL GOVERNMENT THAT WE DIRECT OUR EFFORTS AND RESOURCES TOWARDS IMPROVING LIVING CONDITIONS FOR THESE PEOPLE, WHO CANNOT PROVIDE FOR THEMSELVES.

WE KNOW, FOR EXAMPLE, THAT IN METROPOLITAN CANADA, ABOUT 155,000 HOUSEHOLDS HAVE INADEQUATE OR UNSUITABLE DWELLINGS, AND CANNOT AFFORD BETTER ACCOMMODATION WITHOUT SPENDING OVER 30 PER CENT OF THEIR INCOME TO OBTAIN IT. OF THESE HOUSEHOLDS, ONLY ABOUT 73,000 LIVE IN DWELLINGS THAT COULD BE IMPROVED; THE REST WOULD HAVE TO MOVE TO FIND ADEQUATE SHELTER.

IN ADDITION, THERE ARE ABOUT 283,000 HOUSEHOLDS WHO ARE PAYING MORE THAN 30 PER CENT OF THEIR INCOME IN ORDER TO HAVE SUITABLE AND ADEQUATE SHELTER.

MOST OF THESE PEOPLE LIVE IN OLDER, CENTRAL AREAS OF OUR CITIES AND TOWNS. IN MANY CASES THESE AREAS EXTEND OUTWARDS FROM THE CITY CORE ALONG RAILWAY TRACKS OR AIRPORTS AND ARE MIXED WITH OR ADJACENT TO INDUSTRIAL AREAS. IN THESE CENTRAL NEIGHBORHOODS, HOUSING STOCK IS USUALLY OF POOR QUALITY, WHILE THE LEVEL OF COMMUNITY SERVICES IS CONSISTENTLY INADEQUATE.

THIS IS ONE OF THE PROBLEMS THAT THE NEW HOUSING LEGISLATION NOW BEFORE PARLIAMENT IS INTENDED TO CORRECT. THIS LEGISLATION, AMONG OTHER THINGS, PROVIDES FOR A NEW NON-PROFIT HOUSING PROGRAM DESIGNED TO INCREASE THE SUPPLY OF HOUSING FOR LOW-INCOME PEOPLE AND TO OVERCOME MANY OF THE DISADVANTAGES OF THE TRADITIONAL FEDERAL/PROVINCIAL SOCIAL HOUSING PROGRAMS. WE INTEND, FIRST OF ALL, TO INCREASE THE PRODUCTION OF LOW-INCOME HOUSING TO 30,000 UNITS A YEAR FROM THE PRESENT 19,000 UNITS.

WE ARE GOING TO DO A MAJOR PORTION OF THIS BY OPERATING THROUGH NON-PROFIT CORPORATIONS -- PUBLIC CORPORATIONS ESTABLISHED BY PROVINCIAL OR MUNICIPAL GOVERNMENTS, OR PRIVATE CORPORATIONS SET UP BY CHURCHES, SERVICE CLUBS AND SIMILAR ORGANIZATIONS.

AS IN THE PAST, THE ACTUAL DEVELOPMENT AND CONSTRUCTION WORK WILL BE CARRIED OUT BY YOU, THE COUNTRY'S PROFESSIONAL BUILDERS, AND I URGE YOU TO CONSIDER THIS IMPORTANT MARKET FOR YOUR SKILLS AND RESOURCES.

NON-PROFIT CORPORATIONS WHO PROPOSE TO BUILD OR ACQUIRE MODEST-COST RENTAL HOUSING WILL OBTAIN THEIR FINANCING FROM APPROVED PRIVATE LENDERS. TO MAKE SURE THAT MORTGAGE LOANS ARE READILY AVAILABLE, CMHC WILL PROVIDE NHA INSURANCE, WHICH WILL COVER 100 PER CENT OF THE VALUE OF THE PROPERTIES. THIS INSURANCE WILL APPLY TO EXISTING HOUSING THAT IS TO BE BOUGHT AND IMPROVED AS WELL AS NEW HOUSING.

THE HOUSING WILL BE AVAILABLE TO ANYONE AT MARKET RENT. THOSE WHOSE INCOME IS NOT SUFFICIENT TO ALLOW THEM TO AFFORD THE MARKET RENT WILL PAY ACCORDING TO THEIR INCOME. FEDERAL SUBSIDIES WILL BE AVAILABLE TO BRIDGE THE GAP BETWEEN FULL RECOVERY AND AFFORDABLE RENTS. PROGRAM DELIVERY WILL BE SIMPLIFIED AND RED-TAPE REDUCED.

THE AMENDMENTS INCLUDE EXTENSIONS TO THE SYSTEM OF NHA INSURANCE THAT WILL, I KNOW, BE ADVANTAGEOUS TO BUILDERS.

NHA INSURANCE WILL NOW BE PROVIDED ON LOANS MADE FOR THE PURCHASE OF EXISTING RENTAL PROPERTIES BY NON-PROFIT GROUPS FOR LOW-INCOME HOUSING, AND WILL ALSO BE AVAILABLE FOR LOANS ON NON-RESIDENTIAL STRUCTURES THAT ARE CONVERTED TO PROVIDE LIVING ACCOMMODATION. IN ADDITION, NHA INSURANCE WILL NOW PROVIDE FOR THE PRIVATELY-FINANCED REHABILITATION OF OLDER STRUCTURES FOR RE-SALE BY BUILDERS.

THESE AMENDMENTS ARE MORE EVOLUTIONARY THAN REVOLUTIONARY. THEY SUPPORT AND EXTEND THE FEDERAL POLICY OF MAKING THE GREATEST POSSIBLE USE OF PRIVATE FUNDS FOR HOUSING PRODUCTION WHILE CONSERVING PUBLIC MONEY FOR THE KIND OF ASSISTANCE THAT CAN ONLY BE PROVIDED BY GOVERNMENT.

I MIGHT MENTION IN THIS REGARD THAT THE PROPORTION OF HOUSING STARTS FINANCED BY PRIVATE LENDERS UNDER THE NHA HAS INCREASED FROM AROUND 10 PER CENT IN THE MID-SIXTIES TO WELL OVER 40 PER CENT IN 1977. IN THE SAME PERIOD, DIRECT FEDERAL LOANS FOR NEW CONSTRUCTION DROPPED TO ABOUT 7 PER CENT OF ALL EXPENDITURES ON NEW CONSTRUCTION.

ONE OF THE THINGS THAT AFFECTS NHA PARTICIPATION IN THE NATIONAL PRODUCTION OF HOUSING IS THE LEVEL OF LOAN LIMITS AND PRICE LIMITS FOR VARIOUS NHA PROGRAMS. AS YOU ALL KNOW, THERE ARE A SET OF MAXIMUM LOAN LIMITS FOR NHA INSURANCE IN EFFECT ACROSS THE COUNTRY. THESE VARY FROM ONE MARKET AREA TO ANOTHER. I AM AWARE THAT YOU ARE ALL GEARING UP FOR YOUR SPRING PRODUCTION AND THAT THESE LOAN LIMITS ARE IMPORTANT TO YOU IN THIS PLANNING. I WOULD LIKE, THEREFORE, TO ANNOUNCE TODAY THAT THE MAXIMUM INSURABLE LOAN LIMIT PER UNIT, IN THE HIGHEST COST MARKETS, WILL BE \$70,000. THIS WILL MEAN THAT A UNIT OF \$80,000 IN VALUE CAN BE BOUGHT WITH A \$10,000 DOWN PAYMENT. INCREASES WILL BE AFFECTED AS WELL IN OTHER MARKET AREAS SO THAT NHA LOAN INSURANCE WILL HAVE APPLICATION TO A WIDER SEGMENT OF THE MARKET THAN WAS POSSIBLE UNDER THE PRESENT MORE RESTRICTED LOAN LEVELS. THESE NEW FIGURES WILL BE AVAILABLE BY THE END OF THE MONTH.



AS TO THE SYSTEM OF MAXIMUM HOUSE PRICES THAT WAS DEVELOPED FOR PURPOSES OF THE AHOP AND ARP PROGRAMS, THIS IS NOW TO BE DONE AWAY WITH.

THE GOVERNMENT, HOWEVER, NEEDS A MEANS OF ENSURING THAT ITS SUBSIDIZED SOCIAL HOUSING PROGRAMS ARE NOT USED FOR LUXURY HOUSING. WE ARE PROPOSING, THEREFORE, A NEW, MORE EQUITABLE AND MORE FLEXIBLE SYSTEM BOTH FOR SOCIAL HOUSING AND FOR GPM'S WITH QUICK SETTLEMENT.

A BASIC MAXIMUM UNIT PRICE WILL BE SET FOR A GROUND-ORIENTED, THREE-BEDROOM HOUSE IN EACH MARKET AREA. OTHER PRICES WITHIN EACH AREA WILL TAKE INTO ACCOUNT THE COST DIFFERENCES AMONG DIFFERENT UNIT TYPES AS WELL AS DIFFERENT BEDROOM COUNTS AND WILL BE EXPRESSED AS AN UPWARD OR DOWNWARD ADJUSTMENT TO THIS PRICE IN DOLLARS.

NO SPECIFIC DESIGN, SIZE OR OTHER LIMITS WILL BE IMPOSED ON YOU BEYOND THE LIMITS IMPLICIT IN THE MAXIMUM UNIT PRICES.

THE NEW SYSTEM WILL ALSO TAKE INTO ACCOUNT CERTAIN EXTRA COSTS FOR PROVIDING SPECIAL CARE FACILITIES FOR THE

ELDERLY AND THE HANDICAPPED, AS WELL AS FOR NORTHERN AREAS WHERE THERE IS A NEED FOR SUBSTANTIAL INSULATION AND ENERGY-SAVING DESIGNS. IN THESE CASES, SPECIAL SUPPLEMENTS WILL BE DEVELOPED.

I KNOW THAT SOME OF YOU FEEL THAT A SPECIAL PRICE SHOULD ALSO APPLY TO INNER-CITY PROJECTS. IT MAY ULTIMATELY BE FOUND NECESSARY TO HAVE SPECIAL PRICE LIMITS FOR INNER CITY AREAS, BUT, FOR THE MOMENT, WE ARE LOOKING AT OTHER OPTIONS AS WELL. THE MAIN PROBLEM LIES IN THE HIGH LAND VALUES. IF THERE WERE A SIMPLE WAY TO BRING THESE DOWN, THE PROBLEM WOULD BE A LONG WAY TOWARDS SOLUTION. AT THIS POINT, I CAN ONLY SAY THAT THIS MATTER IS STILL UNDER CONSIDERATION AND ANY HELP AND ADVICE YOUR ASSOCIATION WISHES TO GIVE IS WELCOME.

I THINK THAT THE NEW SYSTEM WILL MAKE SOCIAL HOUSING AND GPM'S WITH QUICK SETTLEMENT MORE ATTRACTIVE BY GIVING BUILDERS MORE SCOPE IN THE DESIGN AND BEDROOM COUNT OF HOUSING THEY BUILD FOR THEIR PARTICULAR MARKET. I FULLY EXPECT TO SEE AN INCREASE IN THE TAKE-UP OF SOCIAL

HOUSING AND GPM'S WITH QUICK SETTLEMENT. I MIGHT MENTION THAT ALREADY, GPM'S ARE FINDING INCREASING ACCEPTANCE BY BOTH BORROWERS AND THE FINANCIAL COMMUNITY. AT LAST-REPORT, CMHC HAD ISSUED GPM LOANS ON SOME 5,000 UNITS.

THIS YEAR IS GOING TO BE AN ADJUSTMENT YEAR FOR HOUSE CONSTRUCTION AS THE HIGH INVENTORIES IN MOST URBAN AREAS ARE GRADUALLY ABSORBED.

I ANTICIPATE THAT TOTAL STARTS THIS YEAR WILL BE ABOUT 220,000 UNITS, ABOUT EVENLY DIVIDED BETWEEN SINGLES AND MULTIPLES.

I KNOW IT CAN SOMETIMES BE A LITTLE DANGEROUS TO LOOK INTO THE FUTURE AND FORECAST CONDITIONS TEN, 20 OR MORE YEARS AHEAD, SINCE LATER EVENTS CAN EXPOSE SERIOUS FLAWS IN THE CRYSTAL BALL. HOWEVER, IT IS IMPORTANT FOR US WHO ARE RESPONSIBLE FOR HOUSING AND FOR YOU, WHOSE BUSINESS IS TO PROVIDE HOUSING FOR CANADIANS, TO HAVE SOME IDEA OF WHAT CAN BE EXPECTED OF BOTH OF US WHEN TODAY'S PROBLEMS ARE REPLACED BY TOMORROW'S.

WE ARE NOT COMPLETELY IN THE DARK WITH REGARD TO FUTURE REQUIREMENTS. THE NATURE OF HOUSING DEMANDS CHANGES WITH THE DEMOGRAPHICS OF THE COUNTRY AND WE CAN MAKE SOME FAIRLY SAFE PREDICTIONS ABOUT THE POPULATION MIX AT VARIOUS POINTS IN THE FUTURE.

WHEN WE EXAMINE THE CURRENT AGE GROUPINGS AND CURRENT TRENDS, IT APPEARS THAT AFTER 1980, NEW HOUSING REQUIREMENTS FOR CANADIANS WILL GRADUALLY DECLINE EACH YEAR, AT LEAST UNTIL THE TURN OF THE CENTURY, AT WHICH TIME THE ANNUAL REQUIREMENT MAY WELL BE LESS THAN 150,000 UNITS.

THIS PROJECTION IS BASED PARTLY ON TRENDS THAT INDICATE A DRAMATIC DOWNWARD CHANGE IN THE NUMBER OF YOUNG PEOPLE DURING THE NEXT TWO DECADES, AND AN EVEN MORE DRAMATIC UPWARD CHANGE IN THE NUMBER OF OLDER PEOPLE. BOTH FACTORS WILL REDUCE THE NEED FOR NEW HOUSING.

THE NUMBER OF CHILDREN IN CANADA UNDER THE AGE OF 14 HAS BEEN DECLINING STEADILY SINCE 1966, AND IS EXPECTED TO CONTINUE TO DECLINE UNTIL ABOUT 1981. AFTER THAT, THERE WILL LIKELY BE A RESURGENCE, BUT THE NUMBER OF CHILDREN AT THE TURN OF THE CENTURY IS NOT EXPECTED TO EQUAL THE NUMBER IN 1966.

DURING THIS SAME PERIOD, THE NUMBER OF SENIOR CITIZENS IN CANADA WILL CONTINUE TO EXPAND. IN FACT, AT THE END OF THIS CENTURY, THE NUMBER OF PEOPLE OVER 65 IN CANADA WILL BE TWICE AS HIGH AS IN 1966.

KEEP IN MIND THAT MOST OF THE DWELLINGS AND THE FACILITIES WHICH WERE BUILT TO HOUSE, EDUCATE AND ENTERTAIN SOME 6 1/2 MILLION CHILDREN IN 1966 AND ON STILL EXIST.



KEEP IN MIND, TOO, THAT WE ARE ADDING NEW HOUSING STOCK AT THE RATE OF ABOUT THREE PER CENT OF THE TOTAL STOCK EVERY YEAR, AND YOU CAN APPRECIATE THAT WE ARE GOING TO HAVE TO GIVE A GREAT DEAL OF THOUGHT TO THE TYPES OF URBAN SETTLEMENTS WE SHOULD PLAN FOR IN THE YEARS AHEAD.

IT WILL NOT BE POSSIBLE IN THE TIME AT MY DISPOSAL TODAY TO REVIEW IN ANY DETAIL THE TRENDS OF OTHER MAJOR AGE GROUPS, BUT I CAN STATE THE BASIC FACTS SIMPLY:

THE NUMBER OF 20- TO 24-YEAR-OLDS WILL PEAK AROUND 1981 AND THEN RAPIDLY DECLINE FOR 15 YEARS OR MORE. THESE ARE THE UNIVERSITY-GOING, FAMILY-FORMING YOUNG ADULTS WHO WILL LIKELY BE LOOKING FOR THE SMALLER TYPE OF ACCOMMODATION, SUCH AS ONE-BEDROOM APARTMENTS.

THE NUMBER OF PEOPLE BETWEEN 25 AND 40 YEARS OF AGE WILL GROW AT AN ACCELERATED RATE BETWEEN NOW AND 1986. THESE ARE THE LARGE GROUP OF FAMILY-FORMING, CAREER-PURSUITING PEOPLE WHO ARE ECONOMICALLY POWERFUL AND WILL, TO A LARGE EXTENT, DETERMINE THE DEVELOPMENT OF THE MID-TERM HOUSING MARKET. THE NEXT GROUP, BETWEEN 45 AND 64, WILL ALSO CONTINUE TO GROW. THEY ARE INFLUENTIAL, AS WELL, BUT THEIR HOUSING NEEDS ARE CHANGING AS THEIR CHILDREN GROW UP AND LEAVE HOME.



THE EFFECTS ON THE HOUSING SITUATION OF THIS CHANGING POPULATION MIX CANNOT BE DETERMINED PRECISELY, SINCE MUCH DEPENDS ON THE CHOICES THE MAJORITY OF PEOPLE IN EACH AGE GROUP WILL MAKE IN RESPONSE TO THE PRESSURES, DEMANDS AND TASTES OF THE TIMES.

HOWEVER, WE CAN MAKE THE GENERAL ESTIMATE THAT OUR CURRENT STOCK OF ABOUT 7.5 MILLION HOUSES WILL HAVE TO BE INCREASED TO SOMEWHERE BETWEEN 11 AND 12 MILLION BY THE TURN OF THE CENTURY. THIS QUANTITY OF HOUSING WILL BE EASILY OBTAINABLE, SINCE MOST OF TODAY'S HOUSING AS WELL AS VIRTUALLY ALL OF THE NEW HOUSING TO BE PRODUCED DURING THE NEXT 20 YEARS WILL STILL EXIST BY THE YEAR 2,000.

IN FACT, AT THAT TIME, ALMOST TWO-THIRDS OF THE HOUSING STOCK WILL CONSIST OF HOUSING THAT STANDS TODAY.

THESE TRENDS, AS WELL AS OTHER DEMOGRAPHIC AND ECONOMIC PROJECTIONS, HAVE LED TO CERTAIN GENERAL DIRECTIONS THAT BOTH GOVERNMENT AND INDUSTRY SHOULD TAKE IN HOUSING OVER THE NEXT WHILE TO MEET ANTICIPATED PRESENT AND FUTURE NEEDS.

YOUR EXECUTIVE RECENTLY RAISED THE QUESTION OF HOW WE COULD FACILITATE THE ADJUSTMENT PROCESS AHEAD BY HELPING DIRECT INCREASED RESOURCES TOWARDS THE CONSERVATION AND RENOVATION OF EXISTING HOUSING. THIS MARKET IS ALREADY OVER \$2 BILLION A YEAR AND IT WILL UNDOUBTEDLY GROW RAPIDLY. ONE POSSIBILITY YOU MAY WISH TO CONSIDER IS THE SECURING OF NHA BUILDERS' LOANS FOR THE ACQUISITION, REFURBISHMENT AND RESALE OF EXISTING DWELLINGS. THESE ARE ALLOWABLE UNDER THE NHA AND CAN PROVIDE ANOTHER SOURCE OF AFFORDABLE FAMILY HOUSING.

A VARIATION OF THIS CAN BE THE ACQUISITION AND IMPROVEMENT OF HERITAGE BUILDINGS IN A WAY THAT RESPECTS THEIR ORIGINAL CHARACTER. WE HAVE BEEN CONSIDERING WAYS OF INCREASING OUR CAPACITY TO FACILITATE THIS WORK UNDER THE NHA, SINCE IT IS IMPORTANT BOTH TO OUR HOUSING CONDITIONS AND OUR CULTURE.

I KNOW THAT YOU ARE ALL INTERESTED AS WELL IN THE QUESTION OF WHAT THE FEDERAL GOVERNMENT COULD DO TO STIMULATE NEW HOUSING DEMAND AND HENCE HOUSING CONSTRUCTION IN CANADA IN THE IMMEDIATE FUTURE.

IN ADDRESSING THIS QUESTION, LET ME STATE FIRST OF ALL THAT THE GOVERNMENT WILL BE LESS AND LESS INTERVENTIONIST. WE BELIEVE THAT PRIVATE ENTERPRISE IS WELL EQUIPPED TO TAKE ON THE CHALLENGE OF MEETING THE FUTURE NEEDS IN THE SECTOR OF CONVENTIONAL HOUSING.

THE MINISTER OF FINANCE IN HIS LAST BUDGET HAS CERTAINLY FOLLOWED UP ON TWO URGENT REQUESTS MADE BY THE CANADIAN ASSOCIATION OF HOUSING AND URBAN DEVELOPMENT BY EXTENDING FOR ONE YEAR THE FISCAL INCENTIVE TO MULTIPLE UNIT RESIDENTIAL BUILDINGS AND BY AGAIN ALLOWING DEVELOPERS TO DEDUCT THEIR CURRENT LANDHOLDING COSTS FOR INCOME TAX PURPOSES.

HE WAS HOWEVER, VERY CAREFUL NOT TO FALL INTO THE TRAP OF ONE-UPMANSHIP FOLLOWING THE PROPOSAL OF MR. CLARK, TO DEDUCT MUNICIPAL TAX AND MORTGAGE INTEREST PAYMENTS FROM TAXABLE INCOME OF HOMEOWNERS.

IN A PERIOD OF BUDGETARY RESTRICTIONS, WHEN THE BUSINESS WORLD IS URGING GOVERNMENTS TO CURB THEIR EXPENSES AND TO REDUCE THEIR DEFICITS, IT SEEMED TO US THAT HIS PROPOSAL WHICH AMOUNTED TO SEVERAL HUNDREDS

OF MILLIONS OF DOLLARS WAS INAPPROPRIATE. ESPECIALLY SINCE WE BELIEVE THAT WHEN THE CANADIAN ECONOMY WILL MAKE IT POSSIBLE, A COMPLETELY DIFFERENT FORMULA FROM THAT SUGGESTED BY MR. CLARK WILL BE NEEDED TO ADEQUATELY MEET THE NEEDS OF CANADIANS IN THE FIELD OF HOUSING AND TO RESPECT THE MOST ELEMENTARY SOCIAL JUSTICE.

I HAVE WITH ME A NUMBER OF TABULATIONS WHICH DESCRIBE IN A BROAD WAY THE IMPACT THAT HOME OWNER DEDUCTIBILITY WOULD HAVE IN TERMS OF ITS TOTAL COST, ITS IMPACT ON DIFFERENT INCOME GROUPS AND ITS DISCRIMINATORY TREATMENT OF TENANTS AS AGAINST HOME OWNERS. I WOULD LIKE THEM TO BE CIRCULATED SO THAT THIS AUDIENCE, AND THE MEDIA, AND THE PUBLIC CAN EXAMINE THEM FOR THEMSELVES. ANYONE MAY DISAGREE WITH PARTICULAR DETAILS OF THE ESTIMATES AND MAKE CALCULATIONS OF THEIR OWN BUT I AM CONFIDENT THAT NO AMOUNT OF MANIPULATION CAN GET AROUND THE STARK CONCLUSION THAT THE PROPOSAL IS, IN FACT, EXPENSIVE, WASTEFUL, AND UNFAIR.

TO COMMENT FIRST ON THE COST OF THE SCHEME TO GOVERNMENT, IT IS INDICATED THAT IF A SCHEME OF FULL DEDUCTIBILITY FOR MORTGAGE INTEREST AND MUNICIPAL TAXES

HAD BEEN IN EFFECT IN 1976, IT WOULD HAVE COST \$2.1 BILLION IN LOST REVENUE. TODAY IT WOULD COST MUCH MORE AND ITS COSTS WOULD FURTHER INCREASE AS MORTGAGE BORROWING INCREASED TO TAKE ADVANTAGE OF THE SCHEME. THIS LATTER FACTOR WAS REFLECTED IN A TELEX FROM YOUR EXECUTIVE TO ME. YOU WOULD FACE THE PROSPECT OF A DIVERSION OF MORTGAGE FUNDS FROM NEW CONSTRUCTION PROJECTS TO THE REFINANCING OF LOANS ON EXISTING PROPERTY, EITHER FOR CONSUMER DEBT OR FOR PURPOSES OF SALE. THERE WOULD BE ADDED PRESSURE ON MORTGAGE INTEREST RATES, AND AVAILABILITY OF MORTGAGE FUNDS FOR NEW BUILDING PURPOSES WOULD BE IMPAIRED.

WHILE THE PRESENT GOVERNMENT HAS ADOPTED A FIRM POLICY OF RESTRAINT IN GOVERNMENT EXPENDITURES, THIS DOES NOT MEAN THAT IT HAS CLOSED OFF THE POSSIBILITY OF INITIATIVES TO SERVE EMPLOYMENT PURPOSES IN AN EFFICIENT WAY AND WHICH OFFER RELIEF TO PEOPLE WHO ARE IN DIFFICULT ECONOMIC CIRCUMSTANCES. OUR PRIMARY OBJECTION TO THE IDEA OF DEDUCTIBILITY IS THAT IT IS WASTEFUL AND INEFFICIENT AS AN EMPLOYMENT GENERATOR AND UNFAIR AND REGRESSIVE IN ITS INCOME DISTRIBUTION EFFECTS.



TO GENERATE EMPLOYMENT THROUGH THE HOUSING MARKET, IT IS NECESSARY ONLY TO STIMULATE THE CONSTRUCTION OR REPAIR OF HOUSING. FUNDS SPENT ON THESE PURPOSES PUT PEOPLE TO WORK. IT IS NOT NECESSARY OR EFFICIENT, FROM AN EMPLOYMENT POINT OF VIEW, TO ATTACH SUBSIDIES TO THE ENTIRE OCCUPIED HOUSING STOCK, AT ENORMOUS EXPENSE.

ON THE OTHER HAND, IF THE PURPOSE OF DEDUCTIBILITY IS SIMPLY TO OFFER RELIEF TO PEOPLE WHO CANNOT AFFORD TO OCCUPY HOUSING, THEN THERE IS NO REASON TO EXCLUDE THE ENTIRE TENANT POPULATION, AND NO REASON TO ACCORD AID TO HOME OWNERS IN A DELIBERATELY PERVERSE MANNER THAT TENDS TO INCREASE THE AID WITH THE LEVEL OF INCOME OF THE BENEFICIARY HOUSEHOLD.

LET ME ELABORATE QUICKLY ON THIS. I JUST MENTIONED THAT IF DEDUCTIBILITY HAD BEEN IN EFFECT IN 1976, IT WOULD HAVE COST \$2.1 BILLION. OF THIS AMOUNT, TENANTS WHO CONSTITUTE 38 PER CENT OF HOUSEHOLDS, AND WHO HAVE LOWER INCOMES ON AVERAGE THAN HOME OWNERS, WOULD GET NOTHING.

HOUSEHOLDS MAKING LESS THAN \$5,000 INCOME, WHO CONSTITUTED 21 PER CENT OF ALL HOUSEHOLDS IN 1976, WOULD ALSO GET NOTHING. THOSE EARNING FROM \$5,000 TO \$15,000, WHO MADE UP ALMOST HALF THE POPULATION IN 1976, WOULD GET JUST OVER ONE-THIRD OF THE BENEFIT. THE REMAINING 31 PER CENT OF HOUSEHOLDS, THOSE EARNING OVER \$15,000, WOULD RECEIVE TWO-THIRDS OF THE ENTIRE BENEFIT.

A FURTHER POINT HAS TO DO WITH THE INTERPROVINCIAL IMPACT OF DEDUCTIBILITY, WHICH TENDS TO FAVOUR PROVINCES WHICH HAVE HIGH-INCOME AND HIGH-HOME-OWNERSHIP-PROPENSITY. THE EVIDENCE IS THAT ON MORTGAGE INTEREST DEDUCTIBILITY, ONLY ONTARIO, ALBERTA, AND B.C. WOULD GAIN RELATIVELY, IN THE SENSE THAT THE BENEFIT TO THEIR CITIZENS WOULD BE HIGHER THAN THEIR RELATIVE SHARE OF THE NUMBER OF HOUSEHOLDS. ALL THE OTHER PROVINCES WOULD BENEFIT LESS THAN THEIR SHARE.

I THINK I HAVE SAID ENOUGH TO INDICATE THAT THIS GOVERNMENT IS NOT READY TO IMPLEMENT MR. CLARK'S PROPOSAL. BUT THIS GOVERNMENT HAS ALWAYS BEEN READY TO IMPLEMENT INITIATIVES THAT STIMULATE EMPLOYMENT IN RESIDENTIAL CONSTRUCTION WHEN BOTH HOUSING MARKET AND UNEMPLOYMENT CONDITIONS WARRANT. AHOP AND ARP PROVIDE RECENT GOOD EXAMPLES OF THIS TYPE OF INITIATIVE.

THE MAIN HOUSING PROBLEM IN CANADA TODAY CONCERNS THE STILL LARGE NUMBER OF FAMILIES I MENTIONED EARLIER THAT LIVE IN INADEQUATE AND UNSUITABLE HOUSING BECAUSE THEY CANNOT AFFORD SATISFACTORY ACCOMMODATION. WE HAVE TO CONSIDER THE POSSIBILITY OF MORE GENERAL KINDS OF AID FOR PEOPLE WHO HAVE DIFFICULTY IN OBTAINING DECENT ACCOMMODATION -- TYPES OF AID THAT ARE IN THE NATURE OF SHELTER ALLOWANCES RATHER THAN PROJECT-ORIENTED HOUSING PROGRAMS.

DEDUCTIBILITY FROM TAXABLE INCOME, FOR HOME OWNERS ONLY, IS UNSATISFACTORY AS A BASIS FOR SUCH POLICIES. WE WOULD BE BETTER SERVED BY A TAX CREDIT SCHEME THAT MAKES NO DISTINCTION BETWEEN OWNERS AND TENANTS AND WHICH IS CAPABLE OF HELPING PEOPLE WHO AREN'T SUBJECT TO INCOME TAX. AN ACCEPTABLE SCHEME WOULD HAVE TO BENEFIT PEOPLE ACCORDING TO THE MEASURE OF THEIR DISADVANTAGE IN THE HOUSING MARKET-PLACE, WHETHER THEY ARE YOUNG OWNERS WITH HEAVY MORTGAGE OBLIGATIONS OR TENANTS WITH HIGH RENTS.

THE RIGHT DIRECTION, IT SEEMS TO ME, HAS BEEN FOLLOWED BY THE GOVERNMENT OF BRITISH COLUMBIA AND NEW BRUNSWICK, IN THE INTRODUCTION OF THEIR SHELTER ALLOWANCE PROGRAMS FOR THE ELDERLY. THESE ARE PROGRAMS THAT ASSIST THE ELDERLY WITH THEIR RENTAL PAYMENTS TO THE EXTENT THAT THESE EXCEED 25 PER CENT OF THEIR INCOME, AND THEY THUS MAKE IT POSSIBLE FOR THESE PEOPLE TO BETTER SOLVE THEIR OWN HOUSING PROBLEMS BY FREELY CHOOSING IN THE MARKET PLACE.

TO INTRODUCE ANY GENERAL PROGRAM, HOWEVER, THAT SEEKS TO REDISTRIBUTE INCOME FOR SHELTER PURPOSES, REQUIRES A VERY SUBSTANTIAL COMMITMENT OF GOVERNMENT FUNDS. AS A MINISTER OF THE GOVERNMENT IN POWER, I DO NOT HAVE THE ADVANTAGE OF BEING ABLE TO ADVOCATE PRODIGALITY ON THE ONE HAND AND RETRENCHMENT AND RESTRAINT ON THE OTHER. BUT I DO BELIEVE THAT IN THE NEAR FUTURE, AS SOON AS OUR ECONOMY PERMITS, WE SHOULD ADOPT A SHELTER ALLOWANCE SYSTEM THAT WILL PROVIDE ASSISTANCE TO HOMEOWNER AND TENANT ALIKE, THROUGH PAYMENT OF A TAX CREDIT FOR SHELTER EXPENDITURES EXCEEDING A CERTAIN PERCENTAGE OF INCOME.

SUCH A SCHEME COULD PROVIDE ASSISTANCE TO TENANTS BY GIVING A TAX CREDIT FOR RENTAL COST WHICH EXCEED LETS SAY 25% OF INCOME. SUCH A SCHEME COULD ALSO PROVIDE ASSISTANCE TO HOMEOWNERS BY GIVING A TAX CREDIT FOR HOUSING COSTS INCURRED THROUGH MORTGAGE INTERESTS PAYMENTS, PROPERTY TAXES, HEATING COSTS, AND HOME INSURANCE TO A TOTAL OF 25% OF THEIR INCOME.

THE IMPLEMENTATION OF SUCH A SCHEME COULD BE DONE BY PHASES. WE COULD START AT 30% AND THEN GO AS OUR ECONOMY PERMITS PERHAPS TO 25% AND EVEN TO 20%. WITH OBVIOUSLY HAVING IN MIND A MAXIMUM AMOUNT OF TAX CREDIT TO BE DESIGNATED.

LADIES AND GENTLEMEN WHATEVER THE NEW DIRECTIONS THAT WE WILL TAKE I WANT TO ASSURE YOU THAT THIS GOVERNMENT WILL DO IT WITH YOUR HELP, WITH YOUR ADVICE, AND WILL DO IT ALSO IN A WAY THAT MAKES SURE THAT WE ARE HELPING YOU, THE BUILDERS OF CANADA, TO INSURE THAT CANADIANS REMAIN ONE OF THE BEST HOUSED PEOPLE IN THE WORLD.



MORTGAGE INTEREST  
AND  
PROPERTY TAX DEDUCTIBILITY:  
DISTRIBUTIONS BY INCOME CLASS  
AND PROVINCE,  
1976

## INTRODUCTION

These tables examine the distribution of benefits if mortgage interest and property taxes had been deductible from income for tax purposes in 1976. The year 1976 was chosen because of the availability of data for that year.

The estimates presented in the tables were based on data assembled from different sources and were derived on the basis of various assumptions. These assumptions as well as the data sources used for the preparation of this paper are described in the Section "Explanatory Notes and Sources of Data."

TABLE 1

## DISTRIBUTION OF HOUSEHOLDS BY TENURE, CANADA, 1976

Province	Number of Households (000's)			Percentage Distribution Within Provinces		Distribution as a Percent of Canada	
	Total	Owners	Renters	Owners	Renters	Owners	Renters
Nfld.	131.7	106.2	25.5	80.6	19.4	2.4	0.9
P.E.I.	32.9	25.2	7.7	76.6	23.4	0.6	0.3
N.S.	243.1	176.1	67.0	72.4	27.6	4.0	2.5
N.B.	190.4	136.8	53.6	71.8	28.2	3.1	2.0
Que.	1,894.2	954.0	940.2	50.4	49.6	21.5	34.5
Ont.	2,634.7	1,676.3	958.4	63.6	36.4	37.9	35.2
Man.	328.0	217.7	110.3	66.4	33.6	4.9	4.0
Sask.	291.1	219.9	71.2	75.5	24.5	5.0	2.6
Alta.	575.3	372.8	202.5	64.8	35.2	8.4	7.4
B.C.	828.3	540.6	287.7	65.3	34.7	12.2	10.6
Canada	7,149.7	4,425.6	2,724.1	61.9	38.1	100.0	100.0

TABLE 2

DISTRIBUTION OF OWNERS WITH AND WITHOUT MORTGAGES, CANADA, 1976

Province	Number of Owners (000's)		Percentage Distribution Within Provinces		Distribution as a Percent of Canada		
	Total	With	Without	With	Without	With	Without
		Mortgages	Mortgages	Mortgages	Mortgages	Mortgages	Mortgages
Nfld.	106.2	18.7	87.5	17.6	82.4	0.8	4.2
P.E.I.	25.2	9.1	16.1	36.1	63.9	0.4	0.8
N.S.	176.1	58.3	117.8	33.1	66.9	2.5	5.7
N.B.	136.8	46.0	90.8	33.6	66.4	2.0	4.4
Que.	954.0	560.0	394.0	58.7	41.3	23.7	19.1
Ont.	1,676.3	945.4	730.9	56.4	43.6	40.1	35.3
Man.	217.7	104.1	113.6	47.8	52.2	4.4	5.5
Sask.	219.9	88.4	131.5	40.2	59.8	3.7	6.4
Alta.	372.8	220.3	152.5	59.1	40.9	9.3	7.4
B.C.	540.6	308.1	232.5	57.0	43.0	13.1	11.2
Canada	4,425.6	2,358.4	2,067.2	53.3	46.7	100.0	100.0

TABLE 3

DISTRIBUTION OF TOTAL PERSONAL INCOME TAX REVENUE LOSS BY PROVINCE,  
BASED ON THE DEDUCTIBILITY OF INTEREST PAYMENTS ONLY, CANADA, 1976.

Province	Total Number of Households (000's)	Tax Revenue Loss (\$000's)			Percentage Distribution	
		Total	Federal Share	Provincial Share	Tax Revenue Loss	All Households
Nfld.	131.7	11,251.2	7,979.6	3,271.6	0.9	1.8
P.E.I.	32.9	3,745.4	2,754.0	991.4	0.3	0.4
N.S.	243.1	31,075.8	22,437.4	8,638.4	2.6	3.4
N.B.	190.4	18,548.8	13,108.8	5,440.0	1.5	2.7
Que.	1,894.2	217,193.8	107,887.0	109,306.8	18.2	26.5
Ont.	2,634.7	531,446.2	407,238.4	124,207.8	46.4	36.9
Man.	328.0	49,093.3	34,451.5	14,641.8	4.1	4.6
Sask.	291.1	37,168.5	26,548.9	10,619.6	3.1	4.1
Alta.	575.3	106,132.0	84,231.7	21,900.3	8.8	8.0
B.C.	828.3	171,382.5	130,329.0	41,053.5	14.1	11.6
Canada	7,149.7	1,177,037.5	836,966.3	340,071.2	100.0	100.0



TABLE 4

DISTRIBUTION OF TOTAL PERSONAL INCOME TAX SAVINGS BY INCOME GROUPS,  
 BASED ON THE DEDUCTIBILITY OF INTEREST PAYMENTS ONLY, CANADA, 1976

Income Class	Total Number of Households (000's)	Total Mortgage Interest Payments (\$ 000's)	Total Tax Savings (\$ 000's)	Tax Savings Per Household \$	Percentage Distribution of Tax Savings	Percentage Distribution of All Households
<5,000	1,487.1	196,611.4	*	*	*	20.8
5,000-9,999	1,580.1	314,578.3	84,432.8	53.4	7.2	22.1
10,000-14,999	1,816.0	993,781.5	307,223.3	169.2	26.1	25.4
15,000-19,999	1,229.7	893,688.4	302,287.6	245.8	25.7	17.2
20,000-24,999	564.8	550,512.0	211,894.1	375.2	18.0	7.9
25,000-29,999	207.4	264,531.8	114,858.1	553.8	9.7	2.9
30,000+	264.6	361,050.1	156,341.6	590.9	13.3	3.7
All Income Classes	7,149.7	3,574,753.5	1,177,037.5	164.6	100.0	100.0

\*  
Negligible amount

DISTRIBUTION OF TOTAL PERSONAL INCOME TAX REVENUE LOSS BY PROVINCE,  
BASED ON THE DEDUCTIBILITY OF MORTGAGE INTEREST AND PROPERTY TAX PAYMENTS, CANADA, 1976

Province	Total Number of Households (000's)	Tax Revenue Loss (\$000's)			Percentage Distribution	
		Total	Federal Share	Provincial Share	Tax Revenue Loss	All Households
Nfld.	131.7	23,593.6	16,733.0	6,860.6	1.1	1.8
P.E.I.	32.9	6,066.4	4,460.7	1,605.7	0.3	0.4
N.S.	243.1	55,126.1	39,802.3	15,323.8	2.6	3.4
N.B.	190.4	33,748.0	23,850.2	9,897.8	1.6	2.7
Que.	1,894.2	461,931.8	229,356.5	232,575.3	21.6	26.5
Ont.	2,634.7	954,247.3	731,224.0	223,023.3	44.7	36.9
Man.	328.0	70,534.0	49,497.6	21,036.4	3.3	4.6
Sask.	291.1	57,238.0	40,884.3	16,353.7	2.7	4.1
Alta.	575.3	143,511.9	113,898.1	29,613.8	6.7	8.0
B.C.	828.3	329,484.3	250,558.3	78,926.0	15.4	11.6
Canada	7,149.7	2,135,481.4	1,500,265.0	635,216.4	100.0	100.0

TABLE 6

DISTRIBUTION OF TOTAL PERSONAL INCOME TAX SAVINGS BY INCOME GROUPS,  
BASED ON THE DEDUCTIBILITY OF MORTGAGE INTEREST AND PROPERTY TAX PAYMENTS, CANADA, 1976

Income Class	Total Number of Households (000's)	Total Mortgage Interest and Property Tax Payments (\$ 000's)	Total Tax Savings (\$ 000's)	Tax Savings Per Household \$	Percentage Distribution of Tax Savings	Percentage Distribution of All Households
< 5,000	1,487.1	675,100.0	*	*	*	20.8
5,000-9,999	1,580.1	821,265.8	208,698.7	132.1	9.8	22.1
10,000-14,999	1,816.0	1,760,830.3	540,404.3	297.6	25.3	25.4
15,000-19,999	1,229.7	1,621,634.2	548,445.2	446.0	25.7	17.2
20,000-24,999	564.8	995,251.9	371,724.2	658.2	17.4	7.9
25,000-29,999	207.4	445,427.4	186,011.5	896.9	8.7	2.9
30,000+	264.6	640,803.4	280,197.5	1,058.9	13.1	3.7
All Income Classes	7,149.7	6,959,803.4	2,135,481.5	298.7	100.0	100.0

\* Negligible amount.

## EXPLANATORY NOTES AND SOURCES OF DATA

Data on the number of households by tenure were derived from the 1976 Census but the total for Canada excludes the Yukon and Northwest Territories. In the foregoing tables the calculations relating to the total payments and total tax savings are based on the distribution of owners as presented in Table 2.

The distribution of owners with and without mortgages was derived by applying the percentage distribution of owners with/without mortgages from the 1971 Census to the total provincial distribution of owners as per the 1976 Census.

Average mortgage interest payments by province and income groups were estimated from the 1974 Survey of Housing Units (SHU). The 1974 SHU data were inflated by 16 percent so that the average payment would equal the figure published in the 1976 Family Expenditure Survey (FAMEX). Total payments were then calculated by multiplying the average payment in a given income class and a given province by the appropriate number of owners.

Average property tax payments by income group, for owners with and without mortgages and by province were estimated from the 1974 Survey of Housing Units. As property tax payments are some function of the selling price of a dwelling, property taxes were calculated as follows:

Taxes = k. price

Where k took the following values:

Atlantic	0.0126
Quebec	0.0243
Ontario	0.0141
Prairies	0.0096
B.C.	0.0154

These "K" values were estimated from Royal Trust data (June 78) by simply dividing property taxes into price and calculating the simple average for "House 1" in each region. These estimated taxes as of 1974 were inflated by 20.9 percent to 1976 based on the increase in the property tax component of the CPI.

The total tax savings were computed for each income group and each province. These figures were then aggregated by income groups or by province. For the computations, average deductions by income class were obtained from Taxation Canada for the 1976 taxation year. Except for Quebec, the rates of provincial income tax were applied to the basic federal tax to calculate the provincial share. In the case of Quebec, the respective provincial and federal shares were calculated as follows:

Federal Share = .76 x (Basic Federal Tax)

Provincial Share = .77 x (Basic Federal Tax).



Remarks by  
the Honourable  
André Ouellet

Discours de  
l'honorable  
André Ouellet

Official Text  
Français

Document 1126  
Chambre des Communes

December 8, 1977

8 juillet

Prière de vérifier avant de publier

La fenêtre sur le fleuve  
Montreal, Quebec.

December 8, 1977





The federal cabinet today gave the green light to redevelop federal government properties situated in the "Old Port" and adjacent areas.

#### RESPONSIBILITIES:

I must say I'm particularly pleased with the decision of the National Harbours Board which the minister of Transport has already announced.

This gives me the opportunity to do something of value in the Old Port of Montreal. It will be my ministry's function to lead and coordinate the different aspects of the planning and implementation of this project.

#### A TASK THAT MUST BE DONE

Located in what was once, the heart of Montreal and considered an integral part of the historically designated area of "Old Montreal", the old port has been for a number of years a source of concern for not only all levels of government but for the public as well.

Today, at a cabinet meeting held in Montreal, the government has decided to take the "bull by the horns" and to proceed, in conjunction with local interests, with development of federal properties.

At this point the image of the "Old Port" is tarnished. There are some federal properties there which are in a deteriorating state. Not only are they deteriorating but for some years now they have no longer been in full use and they represent a senseless, unsightly obstacle to a clear view of the river. I'm referring now, to grain elevators numbers one and two, adjacent warehouses and sheds as well as the series of railway tracks which pass in front of these buildings.

WHAT CAN BE DONE:

Once these barriers, which I have just mentioned have been removed, the land will be used to compliment the already existing area called Old Montreal.

Included in the elements, which could contribute to the transformation of Old Port are:

1. Construction of housing on MacKay Pier.
2. Establishment of a link-up of the recreational areas of the Lachine Canal with the Old Port.
3. Installation of an industrial park on the land formally occupied by the autostade.

WHAT WE WANT:

We want to enhance the cultural heritage in Montreal, improve the quality of life, give public access to the river, contribute positively to the betterment of the economic picture of the city and create harbour facilities compatible to the human and historical environment.

The redevelopment of the Old Port should serve to stimulate further renovation of Old Montreal, work which will be carried out by both the public and private sectors and which will conform to the wishes of Montrealers. The general public will be invited to participate. I will ask for and take into consideration the views and suggestions made by such organizations as the Viger Commission, Historical Commission of Montreal, Save Montreal and all other interested groups.

In the past, both provincial and municipal authorities have urged the federal government to take the initiative that I'm presenting to you today. The federal government has the intention to obtain through

my ministry full cooperation from these **authorities**

REMOVAL OF EXISTING BARRIERS:

Blessed with a regal mountain and a majestic river, Montrealers will now have a window to the St. Lawrence in this historic part of their city.

For too long governments and associations have searched for ways to revitalize this segment of Old Montreal. Personally, I've been interested in this question since I entered politics. Keeping this in mind, I am happy to announce today that the obstacles which have up until now prevented Montrealers from giving a breath of life to this historical area will be removed.

The work will be financed by available funds already allocated in federal programs, as well as money from the private sector. The different aspects of the undertaking will cost approximately \$60 millions.

At last, Montrealers will have a window to the river. They'll have access to the old port, which will have been revitalized, thus enhancing the cultural, human and touristic value of Old Montreal.









